Daily Report

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Cuba's National Assembly President Visits Aladi Session

PY2508130493 Madrid EFE in Spanish 0001 GMT 25 Aug 93

[Text] Montevideo, 24 Aug (EFE)—Ricardo Alarcon de Quesada, president of Cuba's National Assembly of the People's Government, on 23 August visited the headquarters of the Latin American Integration Association (Aladi) in Montevideo. Alarcon said Cuba "hopes to have ever closer relations with Aladi member countries."

The legislator was received in a special session by the Representatives Committee made up of Aladi's 11 members: Argentina, Brazil, Bolivia, Colombia, Chile, Ecuador, Mexico, Paraguay, Peru, Venezuela, and Uruguay. The committee is the association's political forum and Cuba has been an observer in it since 1986.

"We greatly appreciate the work of this association, whose role in Latin America's necessary integration and the development of friendship and cooperation of all our peoples must be outlined," Alarcon said.

"I wish to renew Cuba's willingness to continue working with each one of you, individually, on this path that we believe is essential. I also want to reiterate our highest interest in maintaining our link as an active observer and continuing to develop the relations that we have been able to maintain so satisfactorily so far in this association," Alarcon said.

The president of the Cuban National Assembly of the People's Government said: "Congresses in our region, together with the Latin American Parliament, still have much to do to help speed up the integration processes and enrich them in all possible dimensions."

Ecuadoran Ambassador Eduardo Cabezas Molina, president of the Representatives Committee, stressed: "Cuba is an active observer in Aladi. Cuba is participating in some of Aladi's partial and regional agreements in this difficult but exciting process of Latin American and Caribbean countries' effort to live together."

The secretary general, Brazilian Ambassador Antonio Antunes, reiterated Aladi's "Latin Americanism" [vocacion latinoamericanista]: "One of our goals is to extend our integration fraternally toward Central America and the Caribbean. We have the mandate of our highest authorities to work to approach these regions."

"Our doors are particularly open to observers in order to advance the integration of this great continent," Antunes concluded.

Costa Rica, Grenada Discuss Banana Cooperation

FL2508211793 Bridgetown CANA in English 1958 GMT 15 Aug 93

[Text] St. George's, Grenada, Aug 25, CANA—Cooperation in banana production was at the centre of discussions here Tuesday between a delegation from Costa Rica and Grenada.

The Costa Ricans, led by Foreign Minister Bernard H. Niehaus, are on a swing through the Caribbean seeking support for the country's candidate to head the Organisation of American States (OAS) at the next general assembly.

"Both sides endorsed the need to have a meeting between Costa Rica and the windward Islands, possibly in Washington, to ensure our interest as suppliers of bananas will be promoted and developed," a joint communique said. According to the document, both sides also agreed that the social and economic transformation of Central American and Caribbean countries was in the "highest regard."

According to the Grenada delegation, headed by Agriculture Minister George Brizan, the Costa Ricans promised technical assistance in agriculture and human resource development. The Grenada delegation to the three-hour meeting included minister in the Ministry of Finance Michael Andrew, permanent secretary in the Ministry of Finance Dr. Carl Mitchell, Foreign Ministry permanent secretary, Pamela Steele, and newly appointed director of trade, Nigel Gravesande.

The Costa Rican committee included the country's permanent representative to the OAS, Ambassador Luis Guardia, and the head of the ministers' cabinet, Carlos Lizano.

Sources close to the meeting told CANA whether Grenada supports the Cost Rican candidate for the OAS post will depend on a common Caricom position.

Cuba

Castro Attends Meeting With Pastors for Peace

FL2508191993 Havana Radio Rebelde Network in Spanish 1700 GMT 25 Aug 93

[Text] A meeting between the U.S./Cuba Friendship Caravan fasters and the Cuban clergy and laymen who kept a constant fast-and-prayer vigil in front of the offices of the U.S. Interests Section in Cuba took place at Casa de las Americas at 0930 [1330 GMT] today, with Fidel in attendance.

Yesterday, after being met at the airport, the U.S. clergymen participated in a spontaneous meeting that took place in front of the Martin Luther King Jr. Center in Marianao, where the strikers will stay during their visit to Cuba. Our leader, Fidel, participated in that meeting. The enthusiastic crowd that spontaneously gathered around the center sang our national anthemn and that of the church [not further identified], and then heard speeches by Lucius Walker and our commander in chief.

Fidel expressed to the members of the interdenominational Pastors for Peace project and their support group his thanks for having planted many seeds of solidarity with Cuba in the world.

Castro Attends Ceremony

FL2608020993 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 26 Aug 93

[Excerpt] At 2300 GMT [25 August], the people's ceremony to welcome the Laredo strikers, who wrote such a beautiful page of solidarity with their firm attitude against the blockade, began with the presence of Commander in Chief Fidel Castro. During this popular expression of joy, the Solidarity Order was given to Reverend Lucius Walker and the Friendship Medal was given to the rest of the strikers by decision of the Council of State. [Passage omitted including excerpt of Raul Suarez speech and reading of Council of State accords by Sergio Corrieri, president of the Cuban Institute of Friendship with Peoples]

Alarcon Comments on Concessions To Save Socialism

PY2508212393 Madrid EFE in Spanish 1532 GMT 25 Aug 93

[Report by Gerardo Gonzalez Vega]

[Text] Montevideo, 25 Aug (EFE)—Ricardo Alarcon de Quesada, president of the Cuban National Assembly of the People's Government, has said that the Cuban regime was forced to make concessions to survive the collapse of the Soviet bloc, but if it survives it will return to its socialist project.

In an interview with EFE, Alarcon, a member of the Politburo of the Central Committee of the Communist Party of Cuba—the highest Cuban government organization—insisted that "concessions (of a capitalist nature) are the only way to save socialism, and if we manage to save it we can later return to the socialist path as we conceived it following the victory of the revolution."

Alarcon said: "Cuba is Cuba and its circumstance" [paraphrasing Spanish philosopher Jose Ortega y Gasset, 1883-1955, who said: "I am I and my circumstance."] adding that "the situation has forced us to make concessions" because "socialism cannot be maintained like before the crisis." He thus referred to the internal economy and the collapse of the international socialist bloc.

He said that the "concessions" mainly involve an opening of the Cuban economy to foreign investments "which is an important influence but which does not satisfy our needs due to the U.S. pressure to prevent it."

Regarding the possible authorization of private agricultural production in Cuba (free peasant market) or of private work to provide services, Alarcon said his government policy seeks more to stimulate individuals and local production for consumption, not for commerce.

Alarcon said that the sectors that have received foreign investments are tourism, oil prospecting, and nickel extraction but refused to give any amounts to prevent giving any clues to the U.S. Government that would facilitate pressure on investors.

Asked about the comments by President Fidel Castro that Cubans would rather live like the Indians did before the arrival of Christopher Columbus than change its single party system, Alarcon considered it a metaphorical expression of the will to resist.

He added: "The 'Zero Option' (government plan to survive if imports completely stopped arriving on the island) will never reach the absolute zero because some oil and food is produced domestically."

Regarding the reduction of the food supply for the Cuban population, the use of rationing cards, and the drop in production and employment on the island, Alarcon blamed it on the bad weather of the last few months "because it rained during the drought season and there was drought during the rainy reason, otherwise we would have enough bananas to intoxicate the population."

Asked if the recent move to allow the population to have foreign currency would increase the state income that is calculated at about $300 million annually, Alarcon said it is too early to see the effectiveness of the measure but he believes "the measure should stimulate the relatives of Cubans living abroad to send dollars."

Regarding relations with the U.S. Government, Alarcon said the greater verbal moderation of the Cuban Government is the result of the same moderation shown by Bill Clinton's administration, but he then recalled that

Clinton has reaffirmed the decision to maintain the economic blockade on Cuba.

Alarcon is a former UN representative in New York, former foreign minister, and is now the president of the National Assembly of the People's Government. He has been in Montevideo since 19 August. He returned to Cuba today from Buenos Aires.

While in Montevideo, Alarcon attended a meeting of the Executive Board of the Latin American Parliament.

He also met with Uruguayan Vice President Gonzalo Aguirre, who is a leader of the Blanco Party; with former President Julio Maria Sanguinetti, who is a leader of the Colorado Party; and with Tabare Vazquez, who is the mayor of Montevideo and a leader of the Broad Front, from whom he said he received respect for Cuba.

Increased Fuel To Allow Relief From Outages

FL2508150293 Havana Radio Rebelde Network in Spanish 1155 GMT 25 Aug 93

[Interview with Electric Union Deputy Director Lidio Ramon Perez by Carlos Santana Ojeda—recorded, place and date not given]

[Text] [Santana] Information I obtained at the National Electric Union indicates that in the coming days, fuels will become more available nationwide. That is why I am at present talking to Lidio Ramon Perez, deputy general director of the National Electric Union. If this is so, Lidio, what is the electric service going to be like in the coming days?

[Ramon] During July and August, the population and the economy have been subjected to severe power cuts, which allowed us to guarantee the population's productive activities and vital services despite the fuel shortages Cuba had. Now, in the coming days, fuel availability is going to improve, and this is going to make it possible for us to generate more electricity. This means that in the coming days, the power outages are going to diminish throughout Cuba.

[Santana] What is going to make it possible to cut back on the power outages?

[Ramon] This is going to allow us to do many things. First, we are going to have enough electricity to maintain the services vital to the population. When I say vital, I mean hospitals, waterworks, bakeries, cold storage facilities, etc. It is also going to permit us to, in keeping with a list of priorities, begin producing different things basic for the nation, production of which had been suspended. In addition to this, it will allow us to reestablish and improve the services to the population at many service centers. It will allow us to better organize productive activities, and to schedule them for during those hours when there are no power cuts. Also—and this is very important—it will allow us to reduce the number of power outages currently affecting the residential sector.

[Santana] What does this mean? Can you give examples?

[Ramon] Here is a concrete example: We want to, as of today, eliminate the power outages in the predawn hours, because we know how much trouble these outages cause people. This is the first thing we want to achieve with this improvement, for the residential sector: to eliminate power outages in the predawn hours.

[Santana] So, if you eliminate the predawn outages, when would the outages be?

[Ramon] If we eliminate the predawn outages, the outages will be scheduled for during the day and at night—that is, from 2000 to 2400 hours.

[Santana] How are people going to know about the new outage schedules for each province? Can nationwide schedules be issued?

[Ramon] Understand, Santana, that it is not easy to issue national power-cut schedules, because not all provinces are alike and the outage schedules are worked out in keeping with the characteristics of the different areas. We have tried to keep the outages more or less equitable nationwide, but for many different reasons, this has not always been possible. The structure of electricity consumption is not identical in all provinces. Some have more mechanical milking; others less. Some have more cold storage facilities than others. Some produce items vital to the population's food supply, while others are important water supply sources. This means that such provinces have circuits that are more or less priority circuits—some more than others. This cannot be done on a nationwide scale. There is no magic formula that will cover 14 provinces. The provinces themselves will make whatever adjustments are necessary, and will announce the outages scheduled for their territory, using the provincial press and other media.

[Santana] What period will this new power outage program cover?

[Ramon] The new outage program will cover the days remaining in August and the month of September.

[Santana] And later?

[Ramon] Later? Well, later, the availability of fuels will determine the program for the rest of the year.

[Santana] What new measures can be taken to reduce electricity consumption?

[Ramon] There are many. I think that at present, we need to continue applying to the maximum the measures aimed at using electricity sensibly at production centers, service centers, and administrative offices. No one has a right to waste what someone else might be needing. I think that is a principle we have to put into practice, now and at all times: the rational use of electricity.

Radioactive Isotope Center Close To Completion

FL2508133193 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 25 Aug 93

[Text] A modern center for the production of radioactive isotopes, which are in great demand in the agricultural and medical areas, will begin production in the near future. The center will produce the radioactive isotopes in the Quebrada area, just west of the capital, and is more than 80 percent completed. Compounds with radiopharmaceuticals are in great demand in the world and in Cuba, especially as an aggregate for research in the effectiveness of irrigation and drainage, and in the production of bio-fertilizers and medicines, and is directly related to the medical-pharmaceutical industry. Dr. (Daniel Codorneu) confirmed the importance of producing this product in Cuba.

[Begin Codorneu recording] With it, three radiopharmaceuticals are being produced for use in medical diagnosis, which is in great demand in the country. They are also being used by our scientists in the assimilation and development of a large group of other radiopharmaceuticals for that market, which we hope we can start producing in the near future. [end recording]

According to the construction enterprise, the isotope center, which is an important part of the Cuban nuclear program, should begin operating towards the end of 1993. For the past two years, the isotopes have been produced on a smaller scale at the Center for Applied Studies in Nuclear Development.

Roundup of Economic Activity Reported 17 Aug to 25 Aug

FL2508181693

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 17 and 25 August.

Radio Rebelde at 1700 GMT on 17 August reports a $4,000 donation in spare parts from an Italian writer, a private donation of school supplies from Jamaica, a medical supplies donation from Madrid hospital personnel, and a medical equipment donation from an Austrian travel agency.

Radio Progreso at 1100 GMT on 20 August reports that Monterey City Hall, Mexico, has donated medicines worth $64,000 to three Holquin Province hospitals. This same cast reports that the Austrian ambassador presents to a Holguin hospital a donation of medical supplies and equipment worth $10,000 from the Austria-Cuba Friendship Society.

Radio Rebelde at 1155 GMT on 20 August reports that the Argentine "Ciao Blockade" group has donated $5,000 worth of computer spare parts and supplies to Camaguey, in addition to 1 ton of powered milk for storm victims.

Radio Rebelde at 1700 GMT on 23 August reports that 12 Cuban fishing ships returned from the North Atlantic with 30,000 tons of fish for domestic consumption. Despite a scarcity of spare parts for the 16-year-old vessels, crewmen were able to conserve fuel during the campaign by using new techniques. Rebelde also reported that Spanish Ambassador Jose Antonio San Gil Agustin witnessed the distribution of 387,000 metric tons of powdered milk donated by the Spanish Government.

Radio Rebelde at 1155 GMT on 24 August reports that the agriculture-livestock workers of the Isle of Youth have completed 78 materials-efficient houses, out of a plan for building 98 such houses in 1993. Rebelde also reports that the Varadero Internacional Hotel is scheduled to reopen on 26 August, after remodeling, and that the (Las Morlas) Hotel opened on 21 August. Both these hotels belong to the National Tourism Institute.

Radio Progreso at 1100 GMT on 25 August reports that the Spanish Embassy announced the arrival of a donation consisting of 39,500 notebooks, 1,000 boxes of chalk, 28,000 pens, 149 boxes of erasers, and 2,000 rulers, which are to be distributed for the next school year.

* Formation of Veterans Association Completed

93CA0170A Havana GRANMA in Spanish 22 Jul 93 p 8

[Article by Rene Camacho Albert]

[Text] Santiago de Cuba, Ciudad Heroe de la Republica de Cuba—The process of forming the Association of Combatants of the Cuban Revolution was completed yesterday in this province as the conference of 300 delegates voted to found the organization and elected its executive body.

In addition, 18 combatants were elected to represent the province at the National Conference. The list is headed by Fidel and Raul Castro, who were elected by the associations of the municipal jurisdictions of Santiago de Cuba and Segundo Frente, respectively.

The 300 delegates, representing more than 35,000 veterans who belong to 1,092 grassroots associations, are headed by Commander of the Revolution Juan Almeida Bosque. They analyzed and discussed the report submitted by the organizing committee, adopted the bylaws, and took the oath as principles of the association.

Esteban Lazo, member of the Politburo and first secretary of the party in the territory, gave the closing speech at the conference. He conveyed greetings from General of the Army Raul Castro, and stressed the tremendous importance of forming this institution at this time:

"History has dictated that this formation would take place during difficult times, with men and women seasoned in battle, as the fatherland requires; men and women from

three generations of combatants, all of whom have equally strong patriotic feelings," stated Lazo.

The conference elected a board of directors consisting of 25 members, who immediately elected their leaders and put the presidency in the hands of Colonel Demetrio Montseny Villa.

Inter-Caribbean Affairs

Global Conference Urges Small States To Unify

FL2508211393 Bridgetown CANA in English 1658 GMT 25 Aug 93

[Text] Kingston, Jamaica, Aug 25, CANA—Head of the University of the West Indies' Centre for Sustainable Development, Prof. Bishnodat Persaud, has called on the world's small states to develop a firmly unified position and plan, before the Global Conference on Sustainable Development of Small Island States in Barbados next April.

He told delegates to the 27th Annual Caribbean Conservation Congress here Tuesday that much more was needed to ensure the success of the Barbados meeting. Persaud regretted that small island states "have not yet developed a strategic technical or diplomatic plan to assist in ensuring success." The challenge, he declared, was to get recognition of the "difficult sustainable development problems" facing most small island states. Small states, he said, would have to rise to "the challenges posed by their inevitably weak position in the international system."

He added: "They have already come together to form the Alliance of Small States (AOSS). They will have to do much more to concert around a strong consensus position before the Barbados meeting... They must make a bold start now." Persaud said that in their negotiations with the developed world, small states would have to point to the "special case for aid, and argue against premature graduation from development assistance."

Noting that the relatively high per capita income of many small states was being seen as a justification for a reduction in development assistance, Persaud said there was need to demonstrate the artificiality of such incomes in many small states.

"Preference in export markets is an important reason for relatively good levels of per capita income. Such protection does not indicate development. Moreover, small states are now facing declining levels of preferences. High levels of aid, remittances, and expatriate incomes are other artificial elements. But most of all, (small states) must point to the high per capita capital and recurrent costs of achieving sustainabe development," Persaud said.

The developed world, in considering aid levels, should be made to recognise the problems caused by the absence of "scale economies, which make it difficult to raise capital commercially for vital infrastructure such as airports, ports, and roads", said Persaud "Even when they have reasonable levels of per capita income, small states find it difficult to raise capital from the major capital markets or even from private investors because of the limited commercial opprtunities they offer to investors," he added.

He also stressed the special capital needs arising from environmental problems such as soil erosion, forestry depletion, and marine pollution. Persaud said that last year's world environment meeting in Rio de Janeiro had achieved very little in terms of action in developing countries in particular.

"....Since much will depend on additional resource provision ... the prospects for dealing with environmental problems in developing countries especially... do not look good," he remarked.

Following Tuesday's closed business session, the open session of the Caribbean Conservation Association Conference begins Wednesday with about 100 delegates from throughout the region in attendance. The conference is focusing on sustainable tourism and human development as well as community involvement in environmental preservation.

Barbados

Government, Other Sectors Reach Economic Agreement

FL2508170393 Bridgetown CANA in English 1635 GMT 25 Aug 93

[Text] Bridgetown, Barbados, Aug 25, CANA—The Barbados Government, organised labour, and the private sector have reached agreement on a two-year prices and incomes policy, which represents a key plank in the government's strategy to reverse an erosion of competitiveness in the economy. The protocol, signed Tuesday by Prime Minister Erskine Sandiford, Coalition of Trade Unions Chairman Leroy Trotman, and John Stanley Goddard, head of the Private Sector Agency, calls for a general pay freeze in both the private and public sectors from April 1, 1993 to March 31, 1995, except in areas where pay is deemed to be substandard by the three social partners.

The agreement, which has to be approved by Parliament before it becomes effective, provides for the monitoring of prices over the two year period "so that increases may be limited to legitimate cost increases." The three signatories also agreed in the protocol to "immediately work together to consider and examine indexing wages adjustments and tax allowances to increases in the cost of living."

Prime Minister Sandiford called the agreement "historic." "I do not know of any other occasion in the history of Barbados in which government, representatives of employers, and representatives of labour have

got together and through discussion and mutual appreciation of issues involved, agreed through give and take.... to arrive at a decision for the overall good and goals of the nation," he said.

The deal was struck after discussion and disagreement over several months in which the government's original proposal for an incomes policy was modified to reflect, among other things, a key trade union concern that any freeze in wages and salaries should be accompanied by an arrangement for keeping prices down.

The prices and incomes policy has the following six objectives:

(a) "The safeguard of the existing parity of the rate of exchange (of the Barbados dollar which trades at 2 to 1 U.S. dollar), recognising that any deterioration in this rate will lead to a significant reduction in the living standards of the vast majority of Barbadians;

(b) The expansion of the economy to satisfy the need for improved competitiveness; to provide the right of access of employment; to reduce the threat of social dislocation caused by an unacceptably high level of unemployment; and thereby to ensure the security and well-being of the community as a whole;

(c) The establishment of an environment which will bring Barbados' goods and services into a more competitive position at home and abroad;

(d) The promotion of mechanisms which, within this search for a competitive position for Barbados, will achieve restraints in wages and other compensation payments as well as prices;

(e) The restructuring of the economy on a sustainable basis with opportunities being given for workers and employers alike to make a greater contribution to planning and redevelopment and also to share in the fruits of that improved economy;

(f) The promotion of a national commitment to improved productivity and increased efficiency, so that by reducing wastage and by enhancing national performance, the country will be able to heighten its attractiveness to investors, thereby further extending the opportunities for employment."

While the policy is in effect, increases in wages and salaries, outside areas deemed substandard by the three social partners, will be made solely on profit-sharing arrangements or productivity bonuses based on an assessment of profitability or improvement in productivity, the document said.

The policy contains provisions to ensure that workers are not put at a disadvantage. Accordingly, the three signatories have pledged to establish a framework which protects workers' security of tenure and seeks to reduce labour disputes.

The document said: "Labour shall not be required to vary the benefits and conditions which it currently enjoys, unless it is for immediate general improvement, or by any such variation labour assists in effecting the long-term improvement in the conditions of those employed and creates jobs for the unemployed."

In the case of public sector workers, the agreement calls for the establishment of a mechanism to measure increases in productivity so that they are not disadvantaged by the provision linking any pay hike over the two years to increased productivity.

The social partners have agreed to meet at least four times a year, or at any time at the request of any partner, to review the policy during the period it is in effect.

Haiti

Deputies To Hear Malval General Policy 25 Aug

FL2508154193 Port-au-Prince Radio Metropole in French 1045 GMT 25 Aug 93

[Text] Today, Prime Minister-Designate Robert Malval will be received at the Chamber of Deputies. He will present his government's general policy. The deputies will meet at noon to receive Haitian Prime Minister-Designate Robert Malval, whose general policy was approved on 24 August by the senators.

The senators approved the government general policy by 14 votes in favor and one against. Senate President Firmin Jean Louis has interpreted this vote as a signal for a new departure, more so than a vote of confidence in a government policy. It is a new initiative. Senator Firmin Jean-Louis stated: It is a new signal of departure that has been given to allow the country to resume again.

Aristide Ally Denounces 'Repression Machine'

FL2508214393 Port-au-Prince Radio Metropole in French 1045 GMT 25 Aug 93

[Excerpts] During a 24 August news conference, Yvon Massacre, a committed priest close to President Aristide, keenly denounced the infernal repression machine. The priest, recently imprisoned with two other political activists for having posted pictures of President Aristide, protested the accusations against him, which he termed unlikely. Father Yvon Massacre, a Fermathe parish priest, was imprisoned on the accusation of having stolen a strap from and manhandled a police assistant, before he was later released by a judge. Guilloto Francois filed a report:

[Begin recording in Creole] Eight days after the aborted test on 17 August in Petionville of posting pictures of President Aristide, the Spreading of the Truth Solidarity Committee [KOMEVEB] does not view the results as negative. The two principal leaders of KOMEVEB, plus businessman Antoine Izmery, all close allies of Father Aristide, let it be known that the 17 August incident

shows to what extent and with what speed repression is spreading in Haiti. The test shows two things, according to Antoine Izmery. Izmery stated that KOMEVEB also identified, through the operation of posting pictures last week, the sector opposed to Aristide's return to power.

More than five days after his release, Father Yvon Massacre, arrested with two other KOMEVEB leaders by Petionville police, asserted that the official version of his arrest is not accurate. The priest stated that police arrested him for political reasons. [passage omitted]

KOMEVEB hails the work of the civilian mission in Haiti. The organization welcomes the technical assistance for professionalization of the Army. [passage omitted] [end recording]

Aristide Partisans Undertake Poster Campaign 22 Aug

FL2508152093 Port-au-Prince Signal FM Radio in French 1030 GMT 25 Aug 93

[Text] During the night of 22 August, partisans of the president organized an operation to post pictures in Saint-Marc. According to a well-informed source, military patrols kept an eye on several individuals including a young man who was shot. Military men were posted at the Saint-Nicolas Hospital where the unidentified individual was taken to receive treatment. Our source reports that the victim was transported to the hospital in Gonaives a few hours later because of limited resources of the team at the Saint-Marc Hospital. The victim's condition is not known at this time.

Let us point out that during the ratification session for the prime minister's declaration of general policy on 24 August, Senator Herard Pauyo and other senators stressed the climate of terror that prevails. They asked Prime Minister Malval to provide guarantees, formal guarantees that such a situation will be rectified.

St. Kitts and Nevis

Opposition Parties Request International Observers

FL2608015093 Bridgetown CANA in English 2157 GMT 25 Aug 93

[Text] Basseterre, St. Kitts, Aug 25, CANA—Two opposition parties want international observers for the next St. Kitts and Nevis general election, constitutionally due by next March.

The call for observers came from former Deputy Prime Minister Michael Powell who told a political meeting of his United People's Party (UPP) that the United Nations and the Carter Centre would be approached about the possibility of observing the poll to ensure it was free and fair.

The main opposition St. Kitts Nevis Labour Party (SKNLP) of Dr. Zenzil Douglas has also indicated these institutions would be approached about the poll, expected by some to be held later this year. In the meantime, political parties are well into campaigning for the poll.

The frequency of political meetings has increased, with some analysts saying Kittitians and Nevisians might be asked to go to the polls soon after the 10th independence anniversary celebrations in September.

Salinas Meets With Chamorro; Supports Aid Efforts

PA2608053393 Mexico City XEQ Canal 9 Television Network in Spanish 0200 GMT 26 Aug 93

[Report by correspondent Daniel Flores Meneses; from the "Plenty of News" newscast]

[Text] Nicaraguan President Violeta Chamorro made a private visit to Mexico to meet with President Carlos Salinas de Gortari, who reiterated his support for Nicaragua's efforts to secure financial resources from international organizations. President Salinas also expressed his regret at the political violence in Nicaragua and the way political groups are trying to resolve their differences outside the law.

According to a communique issued by the Mexican presidential office, President Salinas made that statement during a one-hour meeting with President Chamorro. Salinas said that these kinds of illegal actions have negative effects on Nicaragua and abroad, especially because they work against aid programs, investment plans, and financing for projects that are crucial for Nicaragua's economic and social development. President Salinas emphasized the need to consolidate peace and democracy in that Central American region and expressed his government's support for Nicaragua. He offered to support Nicaragua's efforts to secure financial resources from the international community.

Chamorro asked for international support for her constitutional government at a time when Nicaragua's peace and stability are being threatened. She called for economic aid from the international community to carry out social and economic development programs in her country.

Chamorro Departs

PA2508230393 Paris AFP in Spanish 2223 GMT 25 Aug 93

[Text] Mexico City, 25 Aug (AFP)—Nicaraguan President Violeta Chamorro departed for her country this afternoon following a slightly more than four-hour visit to Mexico.

Chamorro departed at 1550 (1950 GMT) after meeting with Mexican President Carlos Salinas and Foreign Minister Fernando Solana.

Senate Discusses Constitutional Reforms Proposals

PA2008201393 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 18 Aug 93

[From the "Early News" newscast]

[Excerpts] On 17 August the Senate approved two measures, the first to be approved during the extraordinary period of sessions. In the Chamber of Deputies, meanwhile, deputies began discussing a proposal to change the regular congressional sessions schedule.

This first Senate session lasted 17 minutes. The meeting was attended by 48 senators. It was unanimously approved that 19 senators from the Institutional Revolutionary Party [PRI], the National Action Party [PAN], and the Party of the Democratic Revolution [PRD] join the work sessions that the Chamber of Deputies will hold on electoral policies.

The senators assigned are members of the Senate Government, Constitutional Issues, and Federal District Commissions. [passage omitted]

Congress has initiated the extraordinary period of sessions. The Chamber of Deputies meeting lasted 25 minutes. The chamber received presidential initiatives for the modification of Articles 65 and 66 of the Constitution. The proposed modifications are that the first regular sessions period of the Legislative Branch begin on 1 September, instead of 1 November, of each year.

A report from the government and justice commissions approving reforms and additions to five constitutional articles on criminal matters was read for the first time. The report will be debated on 19 August.

At the end of the session, a group of demonstrators from the Neighborhoods Assembly broke into the Chamber after jumping over the metal fence protecting it.

They shouted slogans against new house-rental rulings.

[Begin recording of unidentified man] We do not agree with the modifications made to the Civil Code or to the Civil Proceedings Code which now are being listed as the House-lease Law. We have presented at district courts in the Federal Palace a habeas corpus against publishing this law. [end recording]

During the brief sessions, Irma Mayuela Adame and Beatriz Rangel Juarez were sworn in as federal deputies for the 6th District of Coahuila and the 2d Circuit, respectively.

Costa Rica

Archbishop Warns U.S. Against Imposing Sanctions

PA2508133693 Panama City ACAN in Spanish 0314 GMT 25 Aug 93

[Text] San Jose, 24 Aug (ACAN-EFE)—Today, the archbishop of Costa Rica, Roman Arrieta, fustigated the United States for threatening to impose sanctions against Costa Rica on the basis of North American labor union accusations regarding the supposed violation of workers' rights. The primate of the Costa Rican Catholic Church warned the North American government "to not even consider imposing sanctions on Costa Rica because this would draw a strong reaction from Latin American nations" at a time when the 50 year anniversary of the promulgation of social guarantees is being commemorated. Arrieta emphasized that the Catholic Church would interpret any such action as "interference by the United States in the internal affairs of this nation."

The cardinal said that workers would be hardest hit by any exclusion of the nation from the benefits of the Caribbean Basin Initiative (ICC) because of the serious production crisis such action would provoke.

He exhorted unionists, the business sector, and the government, "by means of frank talks among Costa Ricans, to find our own solution to our problems. [no closing quotation mark as received]

The U.S. labor union AFL-CIO has asked the U.S. Department of Commerce to exclude Costa Rica from the Generalized System of Preferences and from the benefits of the ICC in response to supposed violation of workers' rights, for example the right to unionize.

Party Says AID May Violate National Sovereignty

PA2608060793 Mexico City NOTIMEX in Spanish 2214 GMT 25 Aug 93

[Text] San Jose, 25 Aug (NOTIMEX)—An opposition party reported today that the Agency for International Development (AID) might be violating Costa Rica's national sovereignty if it is providing financial support to promote the Third Structural Adjustment Program (PAE III). The National Liberation Party (PLN) issued a communique stating that the U.S. agency could be investing $1 million in the country for that purpose.

The PAE sponsored by the AID is the third of its kind that Costa Rica intends to sign and it demands an in-depth state reform in exchange for the approval of approximately $350 million in credits.

The government has reportedly pledged to the Inter-American Development Bank and World Bank, organizations which finance the PAE III, that it will privatize hydrocarbon distribution services, insurance, and some banking services. The government also set a goal to reduce the state payroll by 25,000 posts to lower the fiscal deficit.

The PLN expressed its disagreement with the plan because the party believes it violates national sovereignty. An absolute majority vote in the Legislative Assembly is required to approve the program, so the PLN is a decisive element in the plan. According to the PLN, television channels have been flooded with advertisements, allegedly financed by AID, on the alleged benefits of the PAE III. Televised messages from President Rafael Angel Calderon's administration state that approving the PAE III would quickly result in a free exchange of merchandise at reasonable prices for all the population as well as a modernization of health services. Nevertheless, the PLN reported that the program's approval would provoke the dismissal of 25,000 public employees and a deterioration in health and education services in exchange for loans that the country would get in three or four years.

PLN faction leader Federico Vargas said that "if fully confirmed, AID's participation in financing the government's million-dollar campaign would be simply unacceptable." Vargas added that it is not advisable for an foreign agency to intervene in such a controversial topic, meaning the PAE III, particularly during an electoral campaign.

El Salvador

President Cristiani News Conference

PA2508150493 San Salvador Radio El Salvador Network in Spanish 1735 GMT 23 Aug 93

[News conference by President Alfredo Cristiani with unidentified moderator and foreign and local reporters; place not given; broadcast in progress—recorded]

[Text] [First unidentified reporter] ...Will your government order an investigation, and does it reject (?the accusation)?

[Cristiani] On 19 August, the Crime Commission was instructed to conduct an investigation and UN Observers for El Salvador, Onusal, was approached and is cooperating with the Crime Commission. Over the next few days they will attempt to reconstruct the incident and take statements from eyewitnesses. They will then attempt to determine what happened and if any of the people who were in Latino Cafe at that time on that night can identify any of the perpetrators. I understand that two people entered the cafe. The investigation will seek to identify the perpetrators and their motives for this new incident.

Of course I reject the politicized accusations made by the Farabundo Marti National Liberation Front [FMLN]. The FMLN has made sharp accusations like these in the past and later has had to admit that the motives for the crime were of

a criminal nature. I know of a few cases when that happened. That does not mean I am taking anything for granted. I think it is bad to politicize a case, because politicization always obscures legal proceedings or investigations, and it is best to wait until the investigation is over to find out who perpetrated the crime and why.

[Moderator] [Name indistinct] of NOTIMEX.

[NOTIMEX reporter] Mr. President, I would like to know how the preparations for the Metapan summit are going and if have you spoken with President Violeta Chamorro regarding her attendance at the meeting in light of the serious situation in Nicaragua?

[Cristiani] The preparations are well under way. Everything will be ready on 27 August. So far Madame Violeta has not withdrawn the confirmation of her visit. I think it is always difficult to make predictions in situations like these. If the problem persists, she will have to make a decision, but not until 25 or 26 August. I understand there were signs of a solution over the weekend. I hope the problem will be resolved as soon as possible and that she will be able to come so we can continue working on the integration issue. The facility being prepared for the meeting will be ready on schedule.

[Moderator] Tulio Rodriguez of [word indistinct].

[Rodriguez] Following the FMLN turnover of weapons, there is already word of armed groups in El Salvador. Onusal has denied that the groups are politically motivated. Yesterday, on our channel, the 1st Infantry Brigade commander said there were about 200 armed men in Guazapa in northern San Salvador. I ask this because the FMLN has also said that you know about these groups; that at least Onusal has relayed the information to you, including the names of these people. My question is whether the government has located these armed men? Is there really a list? What will be done? What sort of actions will be taken? Do you really think that these armed groups have no political motives?

[Cristiani] First we are going to act against these armed groups. So far the groups have been involved in criminal activities. We have to see if there is a connection with the famous Revolutionary Trade Union Federation [FRS], or whatever it is called. If there is a connection, then obviously this group, due to its statements and attitudes, is political in nature and not just a criminal group. We are waiting.... [pauses] [Onusal Director Dr. Augusto] Ramirez Ocampo has told us that they know the names of some of the group members. Dr. Ramirez has offered to give us the list, but I personally have not received it. I do not know whether the list is in the pipeline, but we are waiting for it. Operations will be prepared to counter these groups.

[Rodriguez] Then the government does not want to say whether the groups are political or not? Will the government try to investigate that possibility?

[Cristiani] As far as we are concerned, it makes no difference whatsoever. We have clearly said that any armed group, including this one, will be treated like a group of common criminals and the appropriate laws applied to them.

[Moderator] Jorge Barahona of Telepress.

[Barahona] Mr. President, good morning. I have two questions. One is about the meeting you held with the delegates of the Chamorro government to discuss the weapons cache. What new developments came out of that meeting? You said you were going to evaluate the situation because new findings have been made in the documents of the [words indistinct]. The second question is this: On behalf of our international counterparts, what is the assessment of the poverty issue during your administration?

[Cristiani] Regarding your first question, we talked to President Chamorro's delegates about the investigating commission, which includes other countries and was created in Managua last week, and we decided that our two countries have the greatest amount of information and should coordinate more closely. In that respect, we agreed that we were going to set up mechanisms for direct communication between the various bodies to help us get to the bottom of this matter.

President Chamorro's delegates expressed Nicaragua's interest in getting to the bottom of this case, regardless of who may be involved. We are now investigating the case of a weapons cache that, we could say, already has been determined. We are trying to carry out a thorough investigation to research the papers and identify the groups that probably operated or used this cache to establish whether they are connected to international terrorist groups. This is important to us because it affects us negatively and we are interested in resolving it, especially the kidnappings, because these incidents can hinder a country's development.

We have agreed to find out who is involved in these cases. Lines of communication were established to follow the case through to the end. The Nicaraguans, however, have now had to focus their attention on a major problem, the hostage problem. We do not want to link this investigation to any other because it has nothing to do with the possibility that there may be more weapons caches. This commission has to investigate everything related to the Santa Rosa weapons cache in order to eliminate any possibility of international terrorism in our region.

Regarding your second question, I think our assessment of poverty is based on the economic development our country has experienced. We are dealing with a social problem, such as the one El Salvador presented after 12 years of war and the fact that there were practically no real programs to fight poverty in the country. We believe that economic development is drawing an increasing number of people into the country's labor force. Statistics show that the number of social security members has

grown nearly 30 percent during my administration. All of the programs that have been developed, especially the National Secretariat for the Family, are designed specifically for the poor. It is true that the problem has not been resolved and that poverty continues to be a serious problem. We are not saying that we are content with the situation, but if the programs continue an increasing number of Salvadorans will be able to escape from extreme poverty.

I believe that circumstances caused by the conflict itself are also a major contributing factor. Family assistance is an important element that has helped the neediest Salvadorans. Many Salvadorans, who fled to the United States, have been able to save money and send it here. This is very common in the eastern part of El Salvador and money from these remittances is not only used for consumption; some of it is going into investments. The social welfare programs are beginning to render benefits, especially in the housing sector. Figures show that many more housing projects have been developed over the past few years and this is what eventually will solve the poverty problem. Poverty will not go away overnight. We need a process that will involve these sectors in the nation's life and make them productive to enable them to overcome extreme poverty.

Another successful program, we believe, is the one called El Salvador, Country of Proprietors. That program has made it possible for thousands of people with low-incomes to own something. It has made it easier for them to obtain loans and improve their situation. The experience of community banks in this area is very illuminating.

[Moderator] Wilber Gomez of "The Newscast."

[Gomez] Mr. President, I want to know if the Executive Branch will maintain its campaign against the FMLN by insisting that it is still holding arms caches? Given that...

[Cristiani, interrupting] There is no campaign. I said I think we will discover more arms caches.

[Gomez] The head of the UN mission said, and I am citing the headline of a UN report, that evidence of such caches should be presented. What is your position?

[Cristiani] I think the UN report, at least the one I read, states that all weapons were collected; that the FMLN's military structure was dismantled. I think Onusal is perfectly aware of the situation because we have discussed it. That is why I am surprised that Onusal said the government must present evidence on the discovery of weapons because no other country facing a similar situation was able to collect 100 percent of the weapons. Onusal knows that perfectly well.

The important thing is that we have said that anyone found responsible for discovered arms caches will be treated as a criminal. I repeat: I do not think I should present evidence to anyone. I think the FMLN still has weapons.

[Gomez] May I ask a follow-up question?

[Cristiani, interrupting] In fact, they have referred to the armed groups; they know they are former guerrillas.

[Gomez] I have another question about the issuance of identity cards and the improvement of electoral lists in our country. Some political parties are not pleased with the current work. They have even sent a letter to the U.S. Congress asking that the $70 million in aid be made conditional. Moreover, the (?National Revolutionary Movement) maintains that a day should be dedicated to the issuance of national identity cards. Would the Executive Branch be willing to grant that request, or would the Congress intervene?

[Cristiani] We must be clear about something: The Executive Branch has nothing to do with...[pauses] it has no authority to issue identity cards. It has nothing to do with electoral matters, which are handled autonomously by the Supreme Electoral Tribunal [TSE]. We have noticed that a massive campaign to issue identity cards has begun in the country.

When one takes a look at the media, especially radio stations, one notices frequent calls to obtain identity cards. Experts call it a saturation campaign. The TSE is not obliged to issue identity cards to the population. I think it can only provide the facilities. It cannot force people to show up. The TSE can only launch a campaign to convince people of the importance of next year's elections and see that they come to get the identity cards that will allow them to vote.

As for the letter, I really regret that certain groups go to the United States and say: Look, if something is not done there, do not send the $70 million. I would describe it as virtual treason against the neediest segments of the population, which have nothing to do with the issuance of identity cards. We are not talking military aid here, but economic aid for socioeconomic programs.

I repeat: The Executive Branch has nothing to do with electoral matters. Ruling party members are not the only ones in the TSE. One person was chosen to represent several parties, and the remaining people represent other political parties. There is an oversight committee involving all of them.

I do not think it can ever be said that people who have not received identity card belong to a specific sector. They belong to all political currents. In other words, they do not represent a specific sector because they are people of all persuasions, who perhaps have not yet obtained their electoral identity card. We need to make a special effort to issue the cards to those people.

Now, on a political level, I believe that in some cases they are just trying to tarnish a process that they know will not be of much benefit to them. In this respect they're just trying to create stumbling blocks to the whole process. If we were asked what percentage of the U.S. population eligible to vote is currently registered, I would dare answer that, in El Salvador, there is an equal

or greater percentage of eligible Salvadoran votes registered than Americans in the United States. Yet no one questions the election process in the United States. But they do it here and try to say that only my fellow party members are not registered. I believe there is too much fabrication and too many political excuses. I believe the Supreme Electoral Tribunal should have been trying to correct this. However, this too is difficult, considering the law requiring four votes for a decision. Well, they finally agreed on a campaign and that's enough. I agree that there are shortcomings in the issuing of identity cards, but, I repeat, if voters do not want to register, no one can force them to.

[Gomez] What about a deadline?

[Cristiani] What?

[Gomez] What about a deadline for voter registration?

[Cristiani] I would support a specific deadline for voter registration. What does that mean? It would mean selecting a specific date, where no one would have to report for work, in order to register voters. How many Sundays are left until the elections? In other words, it should be a voluntary process, but if the TSE believes a specific day should be selected to call on all voters and initiate a voter registration campaign, I would support the idea. We want anyone, who wants to vote, to be able to do so.

[Moderator] Antonio Alvarado, TCS Noticias.

[Alvarado] Good morning Mr. President, my question deals with a disclosure this morning by the ANEP [National Association of Private Enterprise] presidency with respect to the kidnapping of ranchers in the eastern part of the country. I would like to know if you have initiated investigations into these kidnappings and if you have been able to identify the groups involved.

[Cristiani] Yes, we have been investigating and following a group that has specialized not only in kidnapping but also in extortion. I am not referring to extortion as we know it but a bit more specialized kind of extortion. We have practically identified at least one of the groups, but we still do not know if it just one group or several groups engaged in this. At least we have been able to identify one group for certain and we are currently tracking them. We are also going to take specific measures to control kidnappings in the region. Somehow we go back to the notion that these groups are most likely.... [pauses]. I would like to say it clearly in order to avoid misunderstandings, it is possible that these groups are connected to armed FMLN groups.

[Moderator] Rene Esturian, Radio Farabundo Marti.

[Esturian] The cotton growers have expressed the same concern. Last week they issued a communique where they expressed surprise as to why the police and judges have not done something with respect to the situation. The cotton growers have stated that uniformed men were behind the kidnappings and.... [changes thought]. Well, please answer this question; later I will ask another.

[Crisitani] Go right ahead, please, because so far....

[Esturian, interrupting] All right. Well, the vice president stated in Guatemela that there were FMLN weapons caches hidden in that country. How accurate is that information?

[Cristiani] With respect to the first question I believe that the main issue is that we are following up on all groups involved in extortion and the kidnapping of ranchers in the eastern part of the country. We expect this will eventually end in the arrest of these groups. True, they are wearing uniforms, but we know there are groups whose members are not in the Armed Forces, who normally wear military uniforms. Specific information we have received from people about one of the groups we are following indicate that they are wearing uniforms. We have received information about different types of uniforms such as camouflage, olive green, and sometimes black. We are following all leads.

With respect to the judges, I believe they will be able to act once they have concrete evidence against any groups. They will be responsible for administering justice. The PN [National Police] and PNC [National Civilian Police] are conducting joint investigations. In other words, concrete investigations are taking place. The judicial aspect will come later.

The vice president's statements were not categorical. There are indications that weapons have been transferred to Guatemala, but there is no information as to whether this has been done for storage purposes or as a transfer to the Guatemalan National Revolutionary Unity [URNG]. He was discussing the possibility that this weapons transfer had occurred because there are indications that arms have been transferred to Guatemala. Arms similar to those the FMLN used here have been seized from the URNG in Guatemala.

[Moderator] Edgardo Moreno, Radio Reloj.

[Moreno] Do you think Nicaragua's problems could have a negative effect on Central American integration? If Mrs. Chamorro does not go to this weekend's meeting, will it take place anyway?

[Cristiani] As far as I know, yes. However, if she were to ask if the meeting could be postponed, we would study postponing it until she resolves her problem. This might be an alternative. I think the three other presidents would understand her reasons.

Regarding your first question, political instability, like in Nicaragua, burdens Nicaragua first, domestically, and places her in a disadvantageous position within the framework of an integration process. It directly affects Nicaragua and its prospects for integration. The Nicaraguan problem does not necessarily hurt an integration

process with Guatemalan and Honduras, for example, but it would negatively affect Nicaragua's participation in the process.

[Moderator] Cristian Mulino, ACAN-EFE.

[Mulino] Mr. President, apparently the forum [words indistinct] of the peace agreement that is moving the slowest. Considering that the government has signed the peace agreements, to what do you attribute this [words indistinct] situation?

[Cristiani] As I see it, the labor sector has an inflexible and intransigent attitude. We know that not all workers necessarily share the same ideas, but apparently the impasse continues. They will not do anything until the government agrees to implement some International Labor Ofice [ILO] clauses the government views as unconstitutional and therefore unratifiable. Some alternatives have been proposed. Talks are being held. The impasse could be resolved. However, so far the labor sector has been rather inflexible, refuses to discuss other issues, and insists on the approval of five ILO clauses that cannot be approved because they are unconstitutional.

I think that there is a certain position here. Everything is based on the labor code and its revision. The government has submitted a draft so that it can be analyzed by the forum with the idea that it may produce a consensus, but it has not been possible to discuss this draft because of the labor sector's position not to discuss this issue until agreements that cannot be approved are approved. This is why there's an impasse. We believe, however, that some disrespect is being shown for the principles of the agreement signed by the three sectors. In this agreement we specifically spoke of a period for discussing the ILO clauses. This period is over. The agreement also spoke of forwarding the agreed-on ILO clauses, an indication that this was not an all-or-nothing affair, as the labor sector later made it out to be, and of discussing the labor code as of 1 May, but the workers decided not to move on to this phase.

We think it is regrettable that this is happening. I think the enterprise and labor sectors have a good opportunity to agree on a law capable of regulating all relations between these two sectors. What could be better than a law that results from an agreement? I believe that such a law would be more effective. We regret the fact that this has not happened.

There may be some political reasons for this. Some people have said that the workers are waiting to see if the next Assembly, its composition, is more favorable to the labor sector than the current one. That is, they believe that a labor code approved by this Assembly would not suit them. They are not saying this openly, but this could be one reason why they have decided not to discuss the code any further.

[Second unidentified reporter] The private sector until 10 November to comply with the forum's agreements? [as heard]

[Cristiani] At least for this first phase. The role of the forum would not be over. I think it's best not to discuss certain matters during the election campaign. It is preferable to suspend the forum for that period and to start it again later on. Even if this entity were no longer known as the Economic and Social Concert Forum and we were to disregard the fact that it is a product of the peace agreements, tripartite meetings on this subject should continue. They must not cease. The ability to establish direct communication between the sectors to produce norms for relations should be permanent. This communication must continue, even under another name. Some other government might say that the name given to this entity and its shape were the product of a peace agreement, and there could be variants. However, the idea of maintaining channels of communication must remain valid.

We made efforts beyond the peace agreement, long before the agreements were signed. The two sectors are talking and trying to reach a consensus on their norms for relations. A consensus would mean that the two sectors will be able to work in peace, with more security and more benefits for the two sides. The entire country would benefit from this because these kinds of relations will permit more development.

[Moderator] Pedro Marquez, AFP.

[Marquez] Mr. President, how do you view the public security plan? Is the mission against corruption that was created some time ago still active?

[Cristiani] The country is in a post-war period; for this reason crime problems are more notorious now than they were during the conflict. In addition, as a result of the restructuring of the country's public security institutions, we are going through a phase during which crime control capabilities are down.

These capabilities are being strengthened though because the National Civilian Police forces are being deployed. For this reason, during this transition period there will be PNC units in certain areas to fight crime.

I believe that this process is making progress, although it has had some setbacks. It will be another year before all PNC units are deployed. Then there will be new promotions to strengthen territories under PNC authority.

We have seen that there are areas where crime is being controlled better. Crime remains a serious problem for the country, and we continue giving this matter the priority attention it deserves. I think that the PNC's ability to fight crime will continuously increase as the PNC gains strength as a full-grown corps, with many more resources than it has now.

[Third unidentified reporter] [Words indistinct]

[Cristiani] They have continued working on this issue. The last meeting was to clear up a case in the Social Security Institute. It was decided to pass the case to the

criminal actions commission because we believe something irregular happened. The commission has instructions to handle this Social Security Institute issue. At the last meeting, we analyzed the commission's work on modifying rules, laws if necessary, procedural norms, and a series of legal and administrative means to fight corruption in some sectors where it has traditionally existed. We believe we can make achievements by modifying these regulations or norms to allow us to prevent opportunities for corruption.

There are certain areas, you all know well, where this has been detected: when one hears that someone is going to get a passport, go through customs, and so on. There are several sectors are now under study. The investigation is progressing well, and some reports will be released soon. I do not think we will have to wait until the end of the investigation as there are some issues that can be disclosed without jeopardizing the whole report. Some steps have already been taken. Toll bridges were places where this went on quite a lot, so the rules were changed. What we used to pay in toll fares, we will now pay when we request our circulation permit. The government gets its income, and no one has to go through the hassle of lining up along the highway while someone is destroying the toll bridge, or finishing the job off, at least.

There are some reports that validate certain activities at several government offices, which means that the investigations have almost concluded. There is one case that has not been closed yet, but it looks like it will be passed on to the Commission to Investigate Criminal Actions. It is a case involving an autonomous entity, whose president has detected many irregularities. I would prefer not to get ahead of myself, as I cannot openly identify the office in question until the case is turned over to the commission. There have been cases... [break in reception] ...which we associate with corruption, but this is not so. We have not been able to stop these activities, or do very much about them, but we will continue to work on the matter. One case we must really regret is the case of D.L. Harrison. I am not criticizing anyone in particular, but this is a case we thought we had managed to control, but as it turns out we have not. At the end of last week all defendants were acquitted. Nevertheless, we will continue moving forward.

[Moderator] One last question, Mr. President, from Edgar Ortiz of the "Up to Date" newscast.

[Ortiz] Good morning Mr. President. My question is: There has been certain doubt surrounding the issue of medicines. The Consumer Protection Center is exerting pressure because certain medicines for treating diarrhea, or at least the ones they have tested, are causing problems among the population. There is currently an effort to pass a Health Code Reforms package. Would you, as the president of El Salvador and also a party in one of the pharmacies being mentioned, agree to approving these reforms in the shortest possible time, so that strict controls may be enacted regarding this medicine and not allow every pharmacy to control itself as in past years? There is also talk of pressure by the Pan-American Health Organization for better management of such public health issues.

[Cristiani] First, I would like to clarify the insinuation you made. The pharmacy I have ties with does not manufacture medicines. It imports and distributes medicines, all of which are duly registered at the public health authorities. None of them has reported having any problems. They are registered in many countries all over the world and are from international laboratories. So, I regret that the famous committee, if it was they who mentioned the pharmaceutical company I worked for before I got this job, is trying to politicize this issue.

On the other issue, I do believe it is necessary to investigate all medicines. I do not believe it is right to say that each laboratory that makes medicines may do as it pleases. They have to register the formulas they wish to use with the authorities. The Higher Council on Public Health and other organizations must authorize the use of a formula to manufacture and sell medicine.

So there is no real possibility for them to work uncontrolled. We are now working on improving quality control levels. There is a laboratory that is almost ready. It is going to be a really modern laboratory, which will be shared initially with the Ministry of Agriculture and Livestock, to study such things as foods and certain agricultural chemicals, which could pose a problem for improving quality controls. The private sector has a laboratory, thanks to the Salvadoran Foundation for Economic and Social Development, which will allow us to carry out this type of research. It is not true that there is individual freedom to produce and sell medicine. This is true for the formal laboratories, as I imagine there are certain homemade medicines that are not controlled, such as the natural products. Even these natural products can have effects. Regarding what has been said about these medicines in particular, I think we will have to scientifically determine if these medicines are harmful.

Group Threatening U.S. Troops Investigated

PA2508123993 San Salvador EL MUNDO in Spanish 23 Aug 93 p 1

[Text] This morning, Defense Minister Colonel Humberto Corado Figueroa stated the government and Armed Forces intelligence are investigating the leaders of the Salvadoran Revolutionary Front, FRS, which has threatened members of the U.S. Armed Forces in the country, with the intention of taking action when the government considers it necessary.

He explained that the idea is to ascertain if the self-styled FRS is an organized group or a facade movement trying to regroup remnants of the Farabundo Marti National Liberation Front [FMLN] remnants. In any case, he emphasized, it is still a criminal group and will be treated as such. Col. Corado Figueroa did not rule out the

possibility that members of this illegal group may be involved in the recent murders of members of the Salvadoran military.

The defense minister granted an interview to journalists covering the inauguration of the "Second Seminar for Human Rights Advocates [difusores] of the National Defense Ministry," which was exclusively designed for 75 participants, including officers and administrative personnel from all Army units. The seminar will last five days and include lectures by experts from Onusal [UN Observers for El Salvador], the government's Human Rights Commission, and other international organizations.

Likewise, Col. Corado Figueroa reasserted that isolated armed groups are still operating in the country. They are comprised of FMLN remnants and are considered criminal groups because the FMLN is no longer an armed military structure and, according to its own leaders, it no longer operates as in the past before peace accords were signed. He also said it would not be strange if further illegal weapons caches are found in the country even after the FMLN turns in its weapons. He emphasized two important aspects of the situation: the denial of the possession of weapons and the intention to use them. Consequently, he added, the FMLN is duty-bound to explain to Salvadoran society if those weapons will be used to start another armed action in the country. Similarly, he said, the FMLN must tell the Salvadoran people what its conduct will be from now on because it is no longer an armed military structure.

Referring to the discovery of weapons caches in this and neighboring countries and the fact that their ownership is attributed to the FMLN, the defense minister said the government and the Armed Forces are prepared for any emergency, particularly caused by an increase in common crimes. "If a larger Armed Forces presence is necessary it will be done; we are prepared for this," he said.

Referring to the wave of crime, Col. Corado Figueroa said the deputy public security ministry will be reactivated in January 1994. It will operate under the auspices of the Interior Ministry with a highly professional and technical structure and will be advised by international organizations. He concluded by saying that the armed groups are operating in areas formerly under the guerrilla groups' control, particularly in Guazapa, Morazan, Chalatenango, and Usulutan. He also said there is a certain amount of mistrust of the FMLN, given its lies about the weapons inventory, something which does not apply to the Armed Forces because it is complying with the Mexico City and New York accords.

* Public Views on Truth Commission Report Surveyed

93CA0177A San Salvador EL SALVADOR PROCESO in Spanish 21 Jul 93 p 4-7

[Text] During the second half of June, the University Institute of Public Opinion (IUDOP) of Jose Simeon Canas Central American University carried out a survey, the objectives of which were essentially two-fold: first, to identify Salvadorans' opinion of the Truth Commission's report; second, to try to estimate the electoral preferences of Salvadoran citizens. The poll was taken throughout the Republic's 14 departments, with a total valid sample of 1,175 polled, distributed proportionally by department and socioeconomic level, with a polling error of four percent.

The latest version covers the results of the poll on the Truth Commission and its report, the resulting approval of the Amnesty Law, and the state of justice administration in the country.

Knowledge About the Truth Commission

One of the objectives of the most recent IUDOP poll was to determine what percentage of Salvadorans are aware of the creation of the Truth Commission, its purpose, and its conclusions. The results show that there is extensive knowledge about the Commission and its findings. Some 86 percent of Salvadorans know that the Truth Commission was created as a result of the peace agreements, compared to 12 percent who did not know that. This high level of awareness varies as a function of social status and sector. The clearest difference is between the population's upper classes and rural sectors. Among the former, 97 percent know of the Commission, while among the rural sector, the figure drops to 76 percent.

Almost the same proportions are knowledgeable of the Commission's blaming the principal military chiefs for many crimes; however, with respect to knowledge of the blame placed on the FMLN [Farabundo Marti National Liberation Front], the percentage changes. 78 percent of those polled know that the Commission's report blames senior FMLN leaders for assassinating mayors, and 17 percent do not. Again, in a comparison by sector, the rural sector appears to be least informed, with 66 percent aware of the conclusions, compared to 25 percent who were unaware; in contrast, between 90 and 92 percent of the middle-and upper-class urban population is informed of the conclusions regarding FMLN leaders contained in the report.

In general, the population is very well-informed of the Commission and the conclusions of its report. In the rural sectors, however, knowledge of the Commission is lower than in the urban sectors. This difference is a result of the difficult access to the media in the country's rural zones.

Satisfaction With the Report

Most Salvadorans are satisfied with the report presented by the Truth Commission. The question, "Are you satisfied with the report presented by the Truth Commission?" resulted in 45.4 percent of the responses being positive, that is, satisfied, compared to 27 percent registering dissatisfaction. Attention is called to the high percentage of the population that preferred not to respond to this question (27 percent), claiming lack of

knowledge. The reason for this could be formulated in two probably complementary hypotheses: the first is that difficulty in expressing an opinion might be due to the fact that broad sectors of the population did not have access to the report as such, and for that reason did not feel capable of providing an opinion on it; the second is that given the nature of the report's contents, expressing an opinion means taking a position on the accusations to which the report refers.

The main reason to view the report with satisfaction is that it identified those responsible and clarified mysterious crimes (58 percent); this response appears to support the idea that the Commission fulfilled its commitment, since it uncovered the truth about the war's most atrocious crimes. Among those evincing dissatisfaction with the report, the most oft-cited reasons were that it did not mention certain crimes (40 percent), and that it was superficial (16 percent), this type of response demonstrating that disagreement with the report is rooted in the expectation that it would reveal much more than it actually did. Only 8 percent of those polled were dissatisfied with the report because they thought it was false and that it had lied.

Thus, the report's credibility is high, 46 percent of all those polled believing that its contents reflect what really occurred, giving the Commission's work a high degree of validity. This contrasts with the statements of some politicians and senior military officials now in retirement, who say the Commission's report "...distorts historic reality and formulates accusations lacking in truth and objectivity" (EL DIARIO DE HOY, 25 March 1993).

Finally, an analysis by social class shows that the poorest sectors are more satisfied (poorest class: 51.3 percent; working class, 48 percent) than the upper and upper-middle classes, where agreement with the report is lower (39 percent).

The Amnesty Law

More than half of all Salvadorans, 55.5 percent, are against the Amnesty Law. The need for there to be justice and for the guilty be punished appears as an overwhelming reason (77 percent) to be against it. In contrast, 30 percent of those in favor of amnesty emphasized the importance to national reconciliation of forgiving and forgetting (38.5 percent), and the opinion that everyone has the right to a second chance (22.1 percent).

These facts clearly lead to the conclusion that the Government and the legislative assembly acted against the wishes of the majority of Salvadorans in decreeing the Amnesty Law, with the intent of protecting those singled out by the report. This reflects almost exactly the almost unanimous opinion that there still exists impunity in El Salvador.

In effect, in the view of almost half of all Salvadorans, 46 percent, impunity in the country continues the same, 24 percent believing it has declined, and 18 percent maintaining it is worse. Only 5 percent think impunity has ended. This means that eight out of every 10 Salvadorans believe there is still a degree of impunity in El Salvador, which is not a very encouraging fact if one considers that the Peace Agreements have already been in effect a year and a half, and that the population does not perceive substantial change in the administration of justice because it really has not seen any.

Finally, according to the above, three out of every five Salvadorans (63 percent) say that the people have been massively deceived in the area of human rights, demonstrating the population's lack of confidence in the administration of justice.

In this respect it should be pointed out that according to the poll carried out by the IUDOP, for 28 percent of those polled, the administration of justice has not shed much light on many crimes and violations because it was interested in covering up the truth; 13 percent of those polled think that the judicial system is not capable of investigating; 10 percent believe that there was fear of reprisals, and 9 percent claim that foreigners are needed to investigate crimes. Nevertheless, 31 percent argue they do not know why the Justice Administration did not investigate. In any case, the proportion of persons who attribute a cover-up role to the Salvadoran justice system, together with the belief that foreign personnel are needed to investigate crimes, confirms the judicial system's low level of credibility among the population.

Other Important Facts

The need for State institutions to be comprised of persons with no record of human rights violations is of general concern among Salvadorans. Three out of four Salvadorans favor relieving of their duties officials who have violated human rights.

In addition, before and after the release of the Commission's report, some sectors (in particular those blamed in the report) claimed the report would end up dividing the country. However, in the view of Salvadoran public opinion, these people are wrong: 49 percent of Salvadorans think that "we are now more united than before," 27 percent believe "we are the same as before," and only 20 percent claim that "we are more divided."

Overall, the Truth Commission's evaluation and what it stands for has been positive. Most Salvadorans support the Commission's report, disapprove of the amnesty law, request the firing of officials accused of violations, and think that impunity continues in El Salvador.

All this leaves us with the impression that, with respect to truth and the punishment of crimes that have occurred in the country, what sustains the Government is not what most Salvadorans think; maybe that is why one can sense the people's lack of confidence in the administration of justice in the country.

Guatemala

Court Rules In Favor of Congress

PA2608003393 Mexico City NOTIMEX in Spanish 2137 GMT 25 Aug 93

[Text] Guatemala City, 25 Aug (NOTIMEX) - Today, the Constitutionality Court ruled that any mechanism directed at purging Congress is illegal, given that the only organization authorized to produce such a measure is Congress itself. "Decisions regarding Congress may only be made by Congress itself," the Court ruling stated, adding that if a referendum is called on the issue, the legislators could voluntarily present their resignation without pressure of any kind.

The Congress queried the Constitutionality Court about the possibility of restricting or reducing the constitutional term of its members, who were elected for from 1991 to 1996, after Guatemalan President Ramiro De Leon Carpio announced that he was considering purging the legislative and judicial organizations if the people supported him in such a measure.

The Court ruling stated that according to the Constitution, if the congressional purge proposal is accepted, the legislative body will have to call in alternate members to occupy the empty seats. The Court said the Constitution does not specify a time period for the Electoral Tribunal to call a referendum on the congressional purge issue and added that an immediate solution would be for Congress members to tender their resignation, which would have to be approved by Congress and would constitute "an especially important political decision." The Court explained that the alternate deputies would complete the constitutional term in light of the impossibility of holding an early congressional election.

Political and social groups throughout the country have demanded that the Congress be purged, arguing that "corruption in the legislative body makes it impossible to work." Former President Jorge Serrano Elias, before stepping down, had said Congress prevented him from governing and that corruption in the legislative body flowed all the way to the audience seats in the Legislative Palace.

Congress Sends Resignation Request to President

PA2508170993 Guatemala City EL GRAFICO in Spanish 24 Aug 93 p 17

[Open letter to President Ramiro de Leon Carpio from Congress issued in Guatemala City; date not given; published as paid advertisement]

[Text] Ramiro de Leon Carpio, constitutional president of the Republic:

During your working tours of the countryside, where you have gone to deliver the 8 percent indicated by the Constitution to the municipalities, you have stated on many occasions, in your speeches as well as in your interviews with the press, that you will propose a project to "purge" the Congress and the Supreme Court of Justice in two areas: The legal area and the legitimacy area.

Mr. President, in the legal area, as members of the diverse factions and of the Legislative Branch, we have presented projects that contain mechanisms to restructure and make the Congress transparent. As a matter of fact, there is a inquiry pending on a proposal filed by one of the congressional factions at the Constitutional Court. In this regard, we would like to express our willingness to contribute in every way possible so that within the legal and constitutional framework, we may find the best channels and the most efficient manner to contribute to this noble aspiration.

The concept of legitimacy, Mr. President, attracts our attention. According to the Political Constitution of the Republic, legitimacy is granted by the people through mechanisms provided by the Constitution and the laws. We would not like to make any erroneous interpretation, which is not in keeping with your own concept, as your presidential power and your legitimacy as ruler are based on the outcome of elections that took place in this high branch on 6 June 1993. You came to this branch looking for support to win said election.

In the spirit of contributing to the aspirations you foster of strengthening the state of law and with the desire of greater clarity, within the framework of autonomy, interdependence, and interrelation among the state's branches, we are currently filing a request before the honorable Constitutional Court. We request the Court's opinion on the legality of a president of one of the state's branches asking for the resignation of members of another branch, asserting, besides, that the same should take place "before other sectors demand this by other means." This demand is made without the use of the regular mechanism established in the laws of the Republic and in the Guatemalan Political Constitution and could set a precedent that would endanger the nation's institutional stability.

We are waiting, Mr. President, to hear the proposal of legal mechanisms you have offered.

Nicaragua

Chamorro Holds News Conference on Hostage Crisis

PA2608034193 Managua Radio Ya in Spanish 0100 GMT 26 Aug 93

[News conference by President Violeta Chamorro with unidentified moderator and foreign and local reporters on 26 August at the Augusto Cesar Sandino International Airport in Managua—recorded]

[Text] [Unidentified reporter] I am with CNN. I have two questions for you. Now that the crisis is ending, what

is your initial reaction to the crisis Nicaragua has experienced these last few days. I would like to ask how you feel?

[Chamorro] I am very happy that all Nicaraguans are understanding one another and that the solution for our fatherland to live in peace and reconciliation is dialogue and reconciliation. That is the best feeling.

[Reporter] Mrs. Chamorro, do you believe this crisis will promote a constructive dialogue in Nicaragua, among the country's various sectors, to seek a solution to the problems Nicaragua faces?

[Chamorro] Of course. From the very first moment these two kidnappings took place, one in the north and the other here in the capital, representatives from the National Opposition Union [UNO] and the Sandinist National Liberation Front [FSLN] sat down with the government to talk and correct the problems. These people are heroes of unity, who work for the welfare of our fatherland. I believe that is the best example we Nicaraguans can set for the entire world.

[Moderator] [First name indistinct] Alvarado of this newscast.

[Alvarado] Good evening. Mrs. President, both kidnappers have asked for security for themselves once their hostages are released. I want to know if you are willing to offer them security and what type? Will they be granted whatever they ask?

[Chamorro] I want to tell you that this kidnapping is being supervised, let us call it that, by commissions. The commissions are going to decide together with the boys, all the gentlemen, the vice president, the ministers, the UNO representatives, and the other hostages. They will decide and everything will be evaluated then.

[Moderator] Eduardo Henriquez of LA TRIBUNA.

[Henriquez] Good evening, Mrs. Chamorro. I have two questions: During your visit to Mexico and your talks with President Salinas de Gortari, did you ask him to grant asylum to the kidnappers?

[Chamorro] No, dear. I did not go to request political asylum for any of the kidnappers. The kidnappers are the ones who will decide if they want to go to another country or not. I paid a friendly visit.

[Henriquez] My second question refers to the agreements signed in the predawn hours of 21 August. Many UNO leaders, who were not kidnapped and some of those now being freed, say this agreement was reached with the sole purpose of saving the lives of the hostages and that UNO can negotiate nothing more at gunpoint. They say they signed the agreement only to save the lives of the hostages and that the agreement is meaningless.

[Chamorro] I believe events speak for themselves.

[Moderator] Elsa Gomez of Radio Nicaragua

[Gomez] Thank you. [Words indistinct]. A visit by the OAS secretary general is being announced. Do you know about that? I also want to ask your opinion on statements made by certain people, which we have heard in the media, and their attitude during this kidnapping; for example, the delay in requesting Cardinal Miguel Obando y Bravo to mediate, and second, the fact that you did not make any statement about the abuses suffered by UNO deputies, especially the vice president, who also received as many votes as you did.

[Chamorro] Look, Miss, I think that if you did not hear us, it is because you did not want to. Perhaps Radio Ya did not broadcast it. I have always asked and prayed to God for all these problems to be resolved in the best way possible. From the start I prayed to God and I asked Cardinal Miguel Obando y Bravo to please help and talk to all of them. I think you are saying what you say out of a lack of information.

[Moderator] [Name indistinct] of Radio Ya.

[Reporter] Mrs. Chamorro, have you considered including a new amnesty law or a reform to the law that has already been approved by the National Assembly in the guarantee that may be offered to the kidnappers?

[Chamorro] As I said before, I must consult [eight-second station break] I sent to the Legislative Assembly a while back, with the support of the [words indistinct] these are two things that [five-second break in reception] There is a guarantee. There is a written document signed by many people, who are offering them security. We will please the people who signed this document, if they want that. We will see what happens when they all leave.

[Moderator] Maria Luisa Talavera of BARRICADA.

[Talavera] This has to do with a question you were asked earlier. If Mr. Mendoza, who kidnapped the UNO people here, wanted to leave the country, would your government be prepared to work for that with Mexico or other countries?

[Chamorro] No one here is forced to stay. If he wants to leave, let him say so and we will see what country wants to receive them. Otherwise, he can remain in Nicaragua.

[Reporter] [Words indistinct] President Salinas, and what kind of efforts will he make in Washington so aid is not frozen?

[Chamorro] No. I did not go there looking for support. I went there to talk with my good friend Carlos Salinas de Gortari because both of us are concerned about the situation in Nicaragua. This is a difficult situation, because after three years in government, this kind of kidnapping should not have happened. This should not happen here, in Central America, or anywhere else in the world. That is what we discussed. We did not go there to seek financial support. It was an exchange of opinions. The brevity of the visit is proof of what I am saying.

[Reporter] [Question indistinct]?

[Chamorro] No. He is the president of Mexico.

[Moderator] Doberto Larios.

[Larios] Mrs. President, yesterday Dr. Arnoldo Aleman said, during a news conference, that events in Nicaragua are the product of two officials in your government clinging to their posts. He mentioned Army General Humberto Ortega and Presidency Minister Antonio Lacayo. What is your opinion?.

[Chamorro] I am going to tell all of you reporters something: I do not think Arnoldo Aleman should say anything right now. From the very moment the kidnaping took place, may God bless us, the UNO and FSLN representatives sought to join forces with us to talk about a national consensus. Aleman, however, remained alone, distant, talking like crazy.

[Reporter] Once this crisis is over, will the government be prepared to arrange a new dialogue agenda with the UNO parties and the Sandinist Front? Obviously the three parties can hold a dialogue. Would you be prepared to work on a new dialogue agenda?

[Chamorro] Of course! I have always said that it is never too late. Let us all get together; let us seek each other out to talk and search for solutions. Reconciliation and unity will give strength to Nicaraguans to search for what is best for all of us. This is what we want, and that is why so many people have used the radio and television to express support.

[Reporter] The OAS secretary general has been invited to visit Nicaragua. Was he invited by the Nicaraguan Government or will this be a visit on his own initiative?

[Chamorro] I would like for my foreign minister to answer that.

[Leal] We invited the OAS secretary general to visit us in September to review the new OAS-CIAV plan, which spans a two-year period and expands the functions of this commission, including programs on education and human rights training, strengthening the judicial branch, and a series of situations that will help not only former resistance fighters but all demobilized people in general. We want to talk with him about the scope of the new functions of the commission. That is the main purpose of his visit.

[Moderator] Thank you very much. Good night.

Chamorro Criticized

PA2608061793 Mexico City NOTIMEX in Spanish 0555 GMT 26 Aug 93

[Text] Managua, 25 Aug (NOTIMEX)—Tonight, Nicaraguan Vice President Virgilio Godoy declared that the kidnapping, carried out last Friday, may be a great experience for the future.

In brief statements to reporters, Godoy said the big losers today are the same ones who lost the elections in 1990, alluding directly to the Sandinist National Liberation Front [FSLN]. Godoy also said President Violeta Chamorro's administration is a "big loser," because it demonstrated that it "did not know how to exercise its authority to put things in order."

Godoy and four members of the National Opposition Union (UNO) board gained their release a few hours ago after being held captive by a group of Sandinists in this capital. Following an assault by an FSLN commando, 33 opposition political leaders, former allies of President Chamorro, were taken hostage. The last five hostages were released tonight.

Former National Assembly President Alfredo Cesar, who was also released tonight, said his political positions "have not changed and are the same as they were last week." Cesar, who was used as a sort of human shield during tense moments last Sunday, said: "They are not going to make us capitulate and they are not going to force us to negotiate with a gun to our head."

Mediators, Commando Issue Document on Release

PA2608050793 Managua Radio Ya in Spanish 0405 GMT 26 Aug 93

[Official statement issued by the Managua Mediation Commission in Managua on 25 August—read by Vilma Nunez de Escorcia, president of the Nicaraguan Human Rights Center]

[Text] At 2300 [0400 GMT] on 25 August 1993 at the offices of the National Opposition Union [UNO] in Managua, Commando 40 for Dignity and Sovereignty, by virtue of the commitments set forth in the agreements signed by the Nicaraguan Government, UNO, and the Sandinist National Liberation Front [FSLN] on 21 August, hereby releases into the custody of the Managua Mediating Commission, presided over by former President Daniel Ortega Saavedra the following: Vice President Vigilio Godoy, Alfredo Cesar, Duilio Baltodano, Reinaldo Hernandez, and Roger Mendieta Alfaro.

The three human rights organizations, the Nicaraguan Human Rights Center [CNDH], the Permanent Commission on Human Rights [CPDH], and the Nicaraguan Human Rights Association [ANPDH], hereby sign this document certifying that the freed hostages have been received in normal physical condition.

[Signed] CNDH, CPDH, and ANPDH Representatives. Commando 40 for Dignity and Sovereignty.

3-80 Northern Front Makes Demands

PA2608030793 Managua Radio Ya in Spanish 0113 GMT 26 Aug 93

[Report by Isidora Acuna in Quilali—live]

[Text] [Acuna] We have a last minute report: Just as a majority of the Nicaraguan people expected, the five

hostages being held in El Zungano by the 3-80 Northern Front were released at 1800 today. We repeat, the five hostages being held by the 3-80 Northern Front were released at 1800 today and turned over to the OAS International Commission of Support and Verification [CIAV]. The transfer was carried out at the very site where they were being held hostage.

The hostages, Deputies Doris Tijerino and Carlos Gallo, Lieutenant Colonel Ramon Ernesto Sosa, Major Ivan Portocarrero, and Captain Geovanni Perez, were released after the government negotiating commission managed to reach substantial agreements with the recontra staff.

Here is Cardinal Miguel Obando y Bravo to read the communique issued today at approximately 1730.

[Obando] Caulatu Agreement: The 3-80 Northern Front, represented by its staff and the negotiating commission made up of His Eminence Cardinal Miguel Obando y Bravo; Dr. Lino Hernandez Trigueros of the Permanent Human Rights Commission; [name indistinct] of the Nicaraguan Human Rights Association; Mr. Alcides Molina of the National Opposition Union [UNO]; and Dr. Sergio Caramagna of the OAS-CIAV agree to the following:

1. The 3-80 Northern Front releases the five persons being held, Deputy Doris Tijerino Haslam, Deputy Carlos Gallo, Lt. Col. Ramon Ernesto Sosa, Maj. Ivan Portocarrero, and Capt. Geovanni Perez.

2. A 60-day truce is decreed, effective 25 August 1993, in which the commission will deliver to the government the political agenda presented by the 3-80 Northern Front.

3. (Lindaba) and El Zungano are declared security zones effective this date. Another security zone will be declared for the 7 September 1993 meeting. The limits of El Zungano security zone will be inspected so they may be increased for (?the duration) of the meeting on that date. Likewise, the Army will gather its units at the municipalities of Wiwili, Quilali, Jicaro, and Murra. The 3-80 Northern Front pledges to remain 3 km from those communities and not raid them.

4. The 3-80 Northern Front demands the Central American presidents' support for this negotiating commission and this agreement.

5. In order to verify compliance with the agreement, the OAS-CIAV will increase the presence of its units in the security zones.

6. His Eminence Cardinal Miguel Obando y Bravo's verification commission will establish a permanent office in the zone.

7. The Permanent Human Rights Commission of Nicaragua and the Nicaraguan Human Rights Association will appoint observers to verify the implementation of the agreements in the security zones.

8. The government is urged to hold a sincere and honest national dialogue with all social groups to find permanent solutions to the crisis that affects the country in various ways.

Issued in Caulatu, Quilali, Nueva Segovia on 25 August 1993.

The communique is signed by all the representatives of the commission, the government, and all those who participated in this dialogue.

Releases Last Five Hostages

PA2508231193 Managua Radio Ya in Spanish 2238 GMT 25 Aug 93

[Text] We have a last minute report: All the hostages, the five hostages being held by the so-called 3-80 Northern Front, were released a few minutes ago. This is a last minute report. All the hostages held by the so-called 3-80 Northern Front have been released. The five hostages were Sandinist Deputies Doris Tijerino and Carlos Gallo, Lieutenant Colonel Ramon Ernesto Sosa, Major Ivan Portocarrero, and Lieutenant Geovanni Perez. That is our last minute report. All the hostages being held by the so-called 3-80 Northern Front were released a few minutes ago.

We confirm the breaking news by Radio Ya that the hostages were released in El Zungano; that is, Deputy Doris Tijerino, Deputy Carlos Gallo, Lt. Col. Ramon Ernesto Sosa, Maj. Ivan Portocarrero, and Lt. Geovanni Perez.

We are also in a position to report to you that in a few minutes the same thing will occur here in Managua, where Alfredo Cesar Aguirre, Virgilio Godoy Reyes, Roger Mendieta Alfaro, Duilio Baltodano, and Reinaldo Hernandez are being held. Only a few minutes remain before the hostages, who were kidnapped on 20 August by the National Dignity and Sovereignty, will be released.

Managua Hostages To Be Released to Deputy Tijerino

PA2508233293 Managua Radio Ya in Spanish 2249 GMT 25 Aug 93

[Interview with Commander 40, second in command of the Dignity and Sovereignty Commando, by Omar Garcia at the National Opposition Union building in Managua—live]

[Text] [Garcia] We are about to confirm the report that the hostages in the northern area have been freed already. I want to clarify what the deal is going to be because there is a lot of movement inside the National Opposition Union [UNO] political council building. Indeed, Deputy Doris Tijerino will serve as liaison and receive the five persons still inside the UNO building.

We are going to interview Commander 40, who is the second in command of the Dignity and Sovereignty Commando.

Is it true that you are going to wait until some of those who are being freed at this moment come to the UNO building?

[Commander 40] True, we have established this as a means to verify compliance that the Quilali hostages held by El Chacal [Jose Angel Talavera] have been freed. We are going to turn over the hostages we are holding here at the UNO facilities to Comrade Doris Tijerino .

[Garcia] Have there been any talks with the commission or are you waiting for the commission to arrive to verify this?

[Commander 40] We are asking the commission to come so as to officially inform them that this is our last decision.

[Garcia] You mean what you have just said?

[Commander 40] Exactly. That is our last decision. We are going to turn over the hostages we are holding to Doris Tijerino.

[Garcia] Here at the UNO installations?

[Commander 40] Of course, the mediating commission must also be here also. It has done a great humanitarian job.

[Garcia] The Managua negotiating commission?

[Commander 40] Both the Managua commission and Cardinal Miguel Obando y Bravo's commission.

[Garcia] In other words, both commissions will meet here?

[Commander 40] Correct. Both commissions must be here with the Quilali hostages, then we will turn our hostages over to Comrade Doris Tijerino.

Government, UNO, FSLN Condemn Threats Against Media

PA2608003493 Mexico City NOTIMEX in Spanish 2226 GMT 25 Aug 93

[Text] Managua, 25 Aug (NOTIMEX)—The Nicaraguan Government, the National Opposition Union (UNO), and the Sandinist National Liberation Front [FSLN] issued an official four-point communique today condemning the recent attacks and threats against local media.

After meeting with the directors of those enterprises, the participants condemned the intimidating actions against reporters and the media following the kidnappings last week in northern Nicaragua and here in Managua. Managua's Radio Corporacion was the target of attack on 20 August that resulted in the interruption of the station's transmissions.

Radio stations 19 de Julio, Dario, Ya, Mundial, Pensamiento, and local television Channel 4 have received anonymous calls from people threatening to bomb the stations for the coverage they have given the kidnappings.

The tripartite statement noted that the freedom to inform and be informed "must be part of the consolidation of the democratic process" in Nicaragua. The statement said: "Violence must never obstruct that right."

Finally, the meeting participants called on the media to serve objectively and responsibly and to disseminate "information that may help safeguard the hostages' lives."

Government Seeking Asylum for Commando Leader

PA2508160293 Managua BARRICADA in Spanish 25 Aug 93 pp1, 5

[Report by Maria Alicia Talavera]

[Text] In the past few hours, government representatives have undertaken a series of "informal" contacts with diplomats from five countries, four Latin American and one European, to explore the possibility that they might grant asylum to Donald Mendoza, a former major in the Sandinist People's Army and leader of the armed group that has been occupying the main offices of the National Opposition Union (UNO) since last Friday.

According to our sources, feelers were sent out following a closed-door "briefing" by Foreign Ministry officials of the diplomatic corps. Deputy Labor Minister Mario Garache, recently released by "El Chacal" [Jose Angel Talavera], attended the meeting. The countries where contacts have begun are: Mexico, Venezuela, Costa Rica, El Salvador, and Spain, according to the source.

Father Miguel d'Escoto, the FSLN [Sandinist National Liberation Front] delegate to the negotiating commission, ruled out the report on the political asylum. "That is not being discussed now," the former foreign minister indicated.

Three days ago, Mendoza told BARRICADA that once the operation ends he will release the "command" and go into the mountains or out of the country. If he opted for this latter recourse, it would be so that he could "ponder what to do next," because he did not plan to accept amnesty.

Deputy Foreign Minister Jose Pallais said yesterday at noon that "so far" no efforts were being made in this direction. This effort will be conducted depending on the progress of the negotiations and on decisions made "in consultation" with the government, UNO, and the FSLN (all members of the negotiating commission). At that time the Foreign Ministry would make the appropriate effort, Pallais explained.

Chamorro to Mexico

At the same time, Foreign Minister Ernesto Leal told the ambassadors and representatives of international missions that at the end of this week the government will present two white papers, one on progress in the Santa Rosa weapons cache investigation and the other on Nicaraguan passports held by people implicated in New York's World Trade Center bomb explosion.

The presidents of Guatemala, Honduras, and El Salvador are holding a mini-summit today in Costa Rica (which the Nicaraguan president will not attend) to analyze the hostage situation in Nicaragua.

It was also confirmed President Violeta Barrios de Chamorro will begin an official visit, which was postponed last Sunday because of the most recent developments in the country, to Mexico today.

El Salvador, Costa Rica, and Mexico are three of the five countries to which former Major Mendoza might travel.

* EPS Clarifies H. Ortega's Statements on ETA

93CA0171A Managua EL NUEVO DIARIO in Spanish 19 Jul 93 p 8

[Text of Sandinist People's Army communique]

[Text] We have received the following communique:

The Office of Public and Foreign Relations of the General Command of the Sandinist People's Army (EPS) has the following information to report to the public:

In view of the different versions published in the press regarding the recent public statements of the commander in chief of the Sandinist People's Army, General Humberto Ortega Saavedra, concerning the Santa Rosa mailbox, the General Command of our institution states:

1. That the illegal group Basque Fatherland and Liberty Group (ETA) is mentioned in connection with these events because Miguel Larios, a former member of that group who is currently a fugitive, was found by Government Ministry investigators to have ties with the People's Liberation Forces (FPL) of El Salvador with regard to the Santa Rosa mailbox.

2. That exhaustive investigations by various agencies and authorities of the country have not revealed any link between the illegal group ETA and the Santa Rosa mailbox incident.

3. With regard to the three citizens of Basque origin who were deported to Spain, the Sandinist People's Army has not expressed an opinion, since it is up to the Government Ministry and the police to carry out the respective investigations. Concerning the Santa Rosa mailbox incident, we have learned that there is nothing to link the three deported Basques to the incident, according to the investigations carried out by authorities in this country. Finally, we would like to make it clear that at no time has the Sandinist People's Army mentioned that the three Basques deported to Spain are active members of the illegal group ETA.

Executed in the city of Managua this 18th day of July, 1993.

* National Directorate Status Quo Supported

93CA0171B Managua EL NUEVO DIARIO in Spanish 17 Jul 93 p 4

[Sixto Rene Hidalgo Lopez Commentary]

[Text] Some Sandinists have been saying that the members of the National Directorate, even including Daniel Ortega, should be replaced. So we wonder, whom would they put on the National Directorate of the Sandinist National Liberation Front (FSLN)?

The members of the directorate did not reach that high position because someone gave it to them; they won it by fighting and struggling for many tough years against the National Guard and the dictatorship of the Somozas and their cronies.

The people love, admire, and respect the members of the directorate. They have popular support, and they cannot be removed on a whim, even though we know full well that the situation in this country is extremely desperate.

It is all right to criticize, because they are not pursuing a policy of belligerence against this government the way the Group of 29 did. And the government cannot be sabotaged, because that would lead to total chaos, which would give the ultraright politicians the opportunity they have been waiting for to call for foreign intervention, eliminate the Army and the police, take over the Executive, Legislative, and Judicial Branches and the electoral system, and create their own army and police, thus laying the foundation for the extermination of all Sandinists.

We must fight poverty and exert pressure through dialogue. We must seek the unity of all Sandinist forces to win political power in the next presidential elections.

We know very well that this government is insensitive to all the ills that plague the population, and it is not looking for any way to cushion the blow.

[dated] Friday, 16 July 1993.

Panama

Endara To Attend Meeting To Support Nicaragua

PA2608023693 Panama City Circuito RPC Television in Spanish 2355 GMT 25 Aug 93

[Text] President Guillermo Endara will travel to El Salvador on 27 August to meet with the Central American presidents, who will join efforts to support the Nicaraguan Government in view of the crisis in the country. The goal is to provide unified support to protect institutional rule in Nicaragua and to guarantee the democratization process currently under way at the regional level. President Violeta Barrios de Chamorro is expected to participate in the meeting.

The Panamanian Foreign Ministry has issued a communique condemning the violence in Nicaragua and appealing for the hostages' release.

Argentina

Patagonians Uphold Rejection of Fiscal Pact

PY2508132893 Buenos Aires BUENOS AIRES HERALD in English 24 Aug 93 p 5

[From the "Business World" column]

[Text] (NA)—The refusal by the provinces of Patagonia to sign the fiscal pact with the national government was upheld by the Patagonian Parliament yesterday [23 August]. This forum considered that the pact would "severely damage" the region's interests. The Patagonian Parliament, where all legislative bodies in the Patagonian provinces are represented, issued a document which calls for "integrated federalism," signed by over 25 legislators who met in the Rio Negro House in the Federal Capital. The document emphasizes that "the stance taken by the governors of the provinces of Neuquen, Rio Negro, Chubut, Santa Cruz and Tierra del Fuego is an unheard of occurrence and of enormous political significance." Patagonian provinces are calling for special treatment within the fiscal pact before they will sign it.

Menem Installs New Interior Minister, Comments

PY2508142693 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0043 GMT 25 Aug 93

[Excerpts] Buenos Aires, 24 Aug (NA)—President Carlos Menem swore in Carlos Federico Ruckauf tonight as the fifth interior minister of his administration during a ceremony in the White Hall of Government House.

The ceremony was not attended by Gustavo Beliz, the outgoing minister, whom Menem did not mention explicitly, but Menem said in his speech he did not share a "large part" of the terms of his resignation.

The former minister even received derogatory slogans from "fans" of the Peronist Youth group who support Deputy Miguel Angel Toma. The fans sang: "It is like this; it is like this; it is for Beliz who is watching it on TV."

Menem, who was the only speaker at the ceremony, surprised more than one member of his cabinet when he said he always has in his "pocket" a replacement for every one of his ministers if necessary, which prompted nervous smiles by the ministers.

"God willing, God willing, God willing we will not have to replace any other minister," said Menem repeatedly as a plea. [passage omitted]

In his speech Menem praised Ruckauf by saying: "It is not a secret to anyone the ability, talent, openness, and honesty of this politician who, like all of us who make up this national movement, has to endure very difficult situations."

Regarding Beliz but without naming him specifically, Menem said: "A friend leaves, a young man who was trained next to me but, as in all aspects of life, stages are used up and one must use ability and intelligence to overcome obstacles."

Menem added: "The terms of his resignation may be shared or not. Of course I do not share a great part of it, but in this beloved Argentina there is as never before the absolute freedom of expression, to say what one feels."

This is why, said Menem, "I have to come out decisively to defend" the work of the legislators to reform the Constitution.

Aiming not only at Beliz but also at Radical Civic Union members, Menem said: "Now it turns out that voices of protest are emerging" regarding the interpretation of the two-thirds needed to approve the reform, and the protest comes "from those who silently accepted the annulment by decree of the 1949 Constitution and who intervened in the implementation of the 1957 Constitution," which was enforced after Juan Peron was overthrown in a coup.

Menem even criticized the attitude of the Radicals who "gave" Arturo Mor Roig to the military government in 1972 "when the Constitution was reformed by decree to prevent the victory of our cause, and from that reform one of the most important leaders who was proscribed was General Peron. The Justicialist Party won despite this on 11 March 1973."

Menem reiterated the concepts during a ceremony in Quilmes this morning: "I said at the people's request that we will not leave our path even if they come out chopping heads, and we will not leave the government to prevent worse evils to the Argentine Republic."

Brazil

Joint Venture To Offer Planes to U.S. Armed Forces

PY2508135393 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Aug 93 p 18

[Article by Julio Ottobini]

[Text] Sao Jose dos Campos—The Brazilian Aeronautics Company (Embraer) and the U.S. company Northrop Aircraft yesterday signed an agreement that will allow Brazil to participate in a call for offers opened yesterday in the United States. The U.S. Air Force and Navy will buy 700 planes for their training programs. The two enterprises will form a joint venture [two preceding words in English] to submit their bid for the contract, which is estimated at $4 billion. The Brazilian plane will be the Super Tucano (Emb-312H), for military training.

Good Project

The joint venture will modify the Tucano plane, which today supplies approximately 48 percent of the market

for its category. According to Northrop Vice President Wallace Solberg, the joint venture should produce "the plane with the highest performance and cheapest price offered so far to the U.S. Government," which has already received proposals from five partnerships of U.S. and foreign enterprises. Cessna is the only enterprise running by itself, he added.

The bid results will be released in November. The first planes will be delivered in 1997 and the last in 2010.

In the joint venture of the U.S. and the Brazilian enterprises, Embraer will build the plane's structure, and Northrop will make the final assembly and install the equipment. Two Super Tucano planes are ready for operational evaluation, which will be made between April and June 1994.

Chile

De Klerk Assures Investors of 'Balanced Economic Policies'

MB2508160193 Johannesburg SAPA in English 1509 GMT 25 Aug 93

[By Lorraine Braid]

[Text] Santiago, Chile Aug 25 SAPA—International businessmen could rely on a stable South African Government in the future as well as balanced economic policies, State President F W de Klerk said on Wednesday. "You can, in your future business relations with South Africa, rely on a stable government and balanced economic policies being applied," he said in a breakfast-time address to leading Chilean businessmen in Santiago.

The African National Congress was historically strongly socialistic "in the hard sense of the word", but he was confident this was something of the past. "Mr. Nelson Mandela is going out of his way to assure the private sector that economic success can only be achieved in an investor-friendly environment. There is a realisation and a broad consensus that without further foreign investment, these ideals cannot be achieved."

He said after the elections for a government of national unity "one could expect an almost abnormal period of stability" as such a fully-representative government would place the emphasis on reconstruction and economic growth to attain the high expectations of the population. "The biggest challenges South Africa faces are in the economic sphere. We must succeed in order to meet the expectations and real needs of millions of South Africans."

Job creation, he added, was needed at a breath-taking rate.

Mr. de Klerk also welcomed the fact that a high-powered Chilean business delegation would visit South Africa later this year. "Chile and South Africa can, to mutual benefit, develop much closer and intense relations," he added.

Speaks on Chilean Economic Model

PY2608030893 Santiago Radio Cooperativa Network in Spanish 2300 GMT 25 Aug 93

[Text] South African President Frederik de Klerk, who will conclude his official visit to Chile tomorrow, today said that he appreciates the economic model in effect in Chile. De Klerk added that his country is following the same path, and that the results are already obvious. We asked the president how progress could reach the poor population, considering the number of tensions in South Africa due to racism and tribal differences. De Klerk recognized that it was difficult to bring progress to the poorest sectors. He pointed out, however, that the country is making great efforts to give the poorest sectors some opportunities.

[Begin De Klerk recording in English with simultaneous translation into Spanish] Regarding our people, we are fighting the problems of unemployment, housing, and inadequate education. We are faced with great challenges in the social and economic fields. In the past few years we have dramatically improved our spending on social services and on the development of our human resources. [end recording]

South Africa's President Frederik de Klerk stressed that his country has returned to the international community in the full sense of the word. The country has opened many embassies, even in African countries, De Klerk said.

Cites Obstacles to Reconciliation

MB2608092493 Johannesburg Radio South Africa Network in English 0500 GMT 26 Aug 93

[Text] The state president, Mr. F.W. de Klerk, says extreme left and right radicalism and unrealistic expectations are the most serious obstacles to reconciliation in South Africa. Speaking at an international news conference in Santiago, President de Klerk said it was a source of concern to his government that professional South Africans were thinking of leaving the country. However, he was confident that the uncertainty over the future would disappear for most people when it became clear that there were enough guarantees in a new constitution to protect them.

Reacting to a claim by the PAC [Pan-Africanist Congress] that the ANC [African National Congress] and the government had agreed that Mr. Nelson Mandela would be the president, and Mr. de Klerk the vice president, Mr. de Klerk said a new president would not be appointed through mutual agreement but would be elected by the voters of South Africa.

Spain Requests Expeditious Handling of Soria Case

PY2508141393 Santiago Radio Cooperativa Network in Spanish 1100 GMT 25 Aug 93

[Text] The Spanish Government officially requested that investigations to determine the circumstances under which diplomat Carmelo Soria died be carried out more expeditiously.

This information was disclosed by Eduardo Vio Grossi, Foreign Ministry director for legal affairs:

[Begin recording] In the Soria case it should be recalled that the Foreign Ministry requested the appointment of a special judge to investigate the case since it affected Chile's international relations, especially with Spain and the ECLA [Economic Commission for Latin America], which voiced their concern over this crime.

Therefore, in compliance with the minister's instructions, a letters rogatory was sent to the United States requesting that Fernandez Larios and Michael Townley be interrogated. We understand that this letters rogatory already has reached the U.S. prosecutor appointed to handle this case who will carry out the legal proceedings before the U.S. courts and State Department.

The Chilean Government for its part has expressed its interest that these proceedings be handled expeditiously and, to this effect, the U.S. Government has sent us a photocopy of the transcription of Fernandez Larios' statements so we can start translating it and have it ready when proceedings have been completed. The Foreign Ministry has done the translation and now is awaiting the results of the letters rogatory. [end recording]

Vio Grossi added that the Foreign Ministry merely processes these documents. He added that Spanish authorities have requested that investigations be expedited to clarify this crime:

[Begin recording] The Spanish Government has voiced its concern over the delay in processing the letters rogatory. We have informed them that proceedings are under way, that we are awaiting the results of the letters rogatory sent to the United States, and that they will be submitted to the judge appointed to handle this case as soon as we receive them. [end recording]

Carmelo Soria was an ECLA official and Spanish citizen who died under strange circumstances in 1976. It was immediately stated that he was murdered for political reasons, due to his links with Communist Party members.

Socialist Party Discusses Human Rights Bill

PY2608011593 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 25 Aug 93

[Text] Socialist Party [PS] leaders have conveyed to the president of the Republic their willingness to reach an agreement on the so-called Aylwin Bill on human rights. The meeting with the PS leadership this morning was the first held by the president for the purpose of discussing the bill.

The main purpose of the meeting was to discuss the position of the PS in Congress, because PS deputies voted against the draft bill, which seeks to speed up the human rights trials involving military officers. PS President German Correa said his goal was to reach a consensus on a clear text in those cases where the coalition partners disagree.

Correa said if the differences are not ironed out the PS will maintain its position of rejection of the bill, as was expressed at the Chamber of Deputies.

In La Serena, meanwhile, presidential candidate Eduardo Frei insisted that the coalition will remain united despite the discrepancies around the so-called Aylwin bill.

[Begin Frei recording] I think the coalition is strong and has national support. We have seen this support in our visit to the regions. The coalition is stronger than the discrepancies. The coalition is diversity, respect for different positions. I said a few days ago in Santiago that we were not a flock of sheep, and that the unity of the coalition is not at risk. [end recording]

Senator Frei met with Archbishop Francisco Jose Cox within the framework of his visit to La Serena. The prelate said he hopes the 11 December presidential elections will be held in a climate of respect, dignity, and dialogue.

[Begin recording] [Unidentified reporter] What would you tell candidates?

[Cox] I would ask them to be honest, clear, at the service of Chile, and especially at the service of those who need support and help the most: the poorest sectors. [end recording]

Ecuador

* First Year Economic Program Results 'Variable'

93SM0389B Quito HOY in Spanish 24 Jul 93 p 2A

[Article by correspondent Monica Rojas]

[Text] As the administration completes its first year in office, the results of its stabilization policy are uneven, as can be seen from an analysis of several macroeconomic variables.

The principal difficulty which the administration will have is achieving its goal of reducing the inflation rate to 30 percent by the end of 1993. According to all available projections, the price level will exceed the goal established, especially due to a sharp change in expectations resulting from natural disasters, such as the prolonged winter and the "Josefina" tragedy, but also because of a

conflict within the cabinet, which has placed the continuity of the economic program in doubt.

The other problem facing the administration is the delay in making foreign exchange payments. The government's policy of fighting inflation has had fiscal austerity and the solidity of the foreign exchange rate as its principal supports. During the past eight months the sucre [Ecuadorian unit of currency] went through a process of revaluation, which kept it stable at about 1,900 sucres [to $1.00]. However, in November 1992 it declined to a rate of about 2,000 sucres [to $1.00]. This question principally concerns exporters, who have seen their products lose competitiveness in the international market, but it is also going to become, once again, a delicate subject for economic management.

The most solid indicators are those of the monetary reserve and deposits by the public sector in the Banco Central [Central Bank]. The monetary reserve has reached a record figure of $980 million, which gives the country great solvency on the external side. Public sector deposits in the Banco Central amount to 950 billion sucres, evidence of the policy of rigid, fiscal austerity followed by the administration.

Finally, there are the fluctuations in interest rates. During the same month when economic austerity measures were adopted, there was a very significant reduction in interest rates, which created positive expectations for investments. Nevertheless, problems in the management of liquidity, linked to foreign exchange policy, caused a sudden and sharp rise in interest rates in April 1993 to levels approaching those in November 1992.

If the behavior of the economy, as shown in the various indicators, can be summarized in a few words, it could be said that at present it is experiencing a "fragile equilibrium."

* Cabinet 'Crisis,' Personnel Changes Analyzed

93SM0379A Guayaquil VISTAZO in Spanish 15 Jul 93 p 14

[Unattributed article: "Those Who Have Left"]

[Text] At the close of this edition, Vice President Alberto Dahik appears to be the incontestable winner of the cabinet crisis; that is, of the confrontation between former Minister of Finance Mario Ribadeneira, and former Minister of Government Roberto Dunn, each of whom advocates a different approach to the management of economic policy. Another member of the Conservative Party, close to Dahik, has now become a key piece in the chess game surrounding Carondelet. He is Marcelo Santos, former longtime member of the Social Christian Party, personal friend of President Sixto Duran Ballen as well as of Vice President Dahik, and, in general, one who has been closer to the process of drastic shakeups backed by the vice president, and strongly objected to by Roberto Dunn.

Dahik's leading role in the shakeup is unquestionable: It was he who started the crisis by requesting the resignation of the entire cabinet. The matter was not resolved until after a long talk between the president and the vice president on the morning of Monday the 12th. Before then, Dunn had climbed up the ladder until he seemed the regime's strongest minister, especially after the last week in June, when Ribadeneira (according to his own subsequent admission) was already out of the cabinet, the president having already accepted his resignation. Why did he not leave as of then? Clearly, his departure was negotiated at length during the subsequent three weeks and entailed the fall of Dunn himself.

In the final analysis, the departure of Roberto Dunn means the triumph of the hardliners with respect to the management of the economy, whose real leader is Dahik himself. "Dunn is an excellent member of an orchestra, but he is playing a different tune," was the way a close collaborator of the vice president put it recently, pointing to the source of the discord. Dunn was playing a different tune. This conflict probably had its origin when Sixto decided not to join the Conservative Party and preferred to found the Republican Party in order to run for president. "I think it was a mistake," says his daughter Alicia, also a Conservative, and a supporter of Alberto Dahik. "He did not need to found another party." The mistake seems to be rectified now, with Conservatives in all the key positions. The new minister of industry is Mr. Jorge Garcia, an entrepreneur from Guayaquil with links to the food industry. Until this week he had not been part of the team close to the president. The minister of finance will be Cesar Robalino, who has already twice filled this position, but who, apparently, will not be the helmsman of economic policy. Its general lines are handled by Dahik himself. But at this point, the fight has not yet ended. As this edition goes to press, economists Ana Lucia Armijos and Roberto Baquerizo have asserted their claim to the chair of the Monetary Board. Armijos, director of the Central Bank, a Conservative and very close to the vice president, has even announced the name of her replacement at the Central Bank. But apparently, the president has endorsed Baquerizo. You cannot win them all.

Paraguay

Military Commander Calls Military Changes 'Normal'

PY2508213593 Asuncion ULTIMA HORA in Spanish 21 Aug 93 p 4

[Text] Vice Admiral Eduardo Gonzalez Petit, Military Forces Commander, has reported that the changes effected by President Juan Carlos Wasmosy in the top echelons of the Armed Forces are normal ones. "Whenever the Armed Forces' commander in chief changes, so do their other commanders. The president had this idea in mind when he decided on the aforementioned changes and informed us about the policy he would follow for the selection of the appointees," he said.

According to Vice Adm. Gonzalez Petit, Wasmosy wanted to keep a balance between the different arms and as the Army 2d Corps, which is infantry, was commanded by a division general from the cavalry, then—following the commander in chief's orders—we looked for the most senior infantry officer and posted him to command that Army corps.

With regard to General Marino Gonzalez' [former 2d Corps commander] future assignment, Vice Adm. Gonzalez Petit explained that he will be offered the post of National War College commander. He made it clear, however, that he had no information on whether Gen. Gonzalez would accept this offer. According to Vice Adm. Gonzalez Petit, should Gen. Gonzalez turn this offer down he will be at the disposal of the commander in chief until the next Armed Forces' promotions board meets.

When asked whether the reduction in the number of brigadier generals and division generals, which would be part of Wasmosy's rationalization program, will start right away, Vice Adm. Gonzalez Petit answered that there is already one less brigadier general, the former defense vice minister, as the post will now be occupied by a civilian.

Vice Adm. Gonzalez Petit is of the opinion that the reduction in the number of top-echelon military should not be something traumatic. Therefore, once some high-ranking military go into retirement at the end of the year, they will not be replaced. He asserted that "We are going to devise a way so that the retirement of those generals will not deeply affect the Armed Forces' mission."

Peru

Economy Minister Camet Interviewed

PY2608002093 Lima EL PERUANO in Spanish 18 Aug 93 p B6, B7

["Exclusive" interview with Economy and Finance Minister Jorge Camet by unidentified EL MERCURIO reporters in Santiago, Chile "last week"—reproduced "in its entirety" from a fax tranmission to EL PERUANO from the Peruvian Embassy in Santiago]

[Text] [EL MERCURIO] Former Economy Minister Carlos Bolona said when he resigned that there were people who supported an easy populism. How did those populist voices affect your performance?

[Camet] I think Bolona exaggerated due to purely emotional and momentary feelings when he said there was a certain tendency to handle the economy in a populist way, and according to survey results. I am sorry to say this because he is a friend, but I told him what I thought about it then. I can assure you that there is no populism of any kind. That would have been a disaster.

[EL MERCURIO] The fact is that the Economy Ministry is now headed by an entrepreneur who knows about internal company problems. The ministry was headed by an economist before. Has there been any change in the way things are handled?

[Camet] No. We continued the same program. I have great respect and admiration for Carlos Bolona. I have nothing to criticize him about. On the contrary, he is an expert, an economist, while I am a manager. He made the changes and I am managing and implementing them. I am surrounded by excellent advisers.

[EL MERCURIO] You have said your vision is optimistic but realistic. There are figures supporting your optimism. In 1992 Peru had an inflation rate of 57 percent. So far this year, inflation has dropped to 48 percent on an annual rate basis. You said that the second semester was seasonally easier with respect to the inflation rate, and that you expected to he year with a 40 percent inflation rate. After the gross domestic product dropped by 2.7 percent during 1992, there was a recovery: The country grew by 4.3 percent during the first half of this year. It is expected that the economy will grow more than 5 percent in 1993.

A few weeks ago you announced the end of the recession, but some economists characterized your remarks as excessively optimistic.

[Camet] What I said was that the decline reached rock bottom and that the process of recovery has started. But it will be slow. In an economy, all sudden shocks are bad. The recovery will be slow at the beginning. I think the figure of 4.3 percent is an indication that we are growing again. Growth is the opposite of recession.

[EL MERCURIO] Do you think there is a more solid base upon which to hope for sustained growth, now that reforms have been implemented, investments have arrived, and the opening of the economy is a reality?

[Camet] That is correct. Another factor that makes us think that investments will continue coming is that the structural reform is reflected in the new Constitution and, as a consequence, the legal stability and the rules of the game will not change.

[EL MERCURIO] But besides the legal aspects, have these reforms been accepted domestically by the population?

[Camet] The people's very wise intuition has permitted them to perceive that Fujimori's election was correct. People felt that the tax called inflation was the worst possible punishment. It is incredible, but the people supported the reforms, the adjustment, and the fiscal austerity programs because they knew the process would put them on a different path, far from the burden of inflation that we suffered for five years.

[EL MERCURIO] Despite the fact that the adjustment was very harsh?

[Camet] It has been harsh. But after we achieved our reentry into the world financial community, at least in

reference to the IMF and multilateral organizations, we obtained loans and invested them. The people can already perceive the benefits of our policies and that reentry into the financial world, for which the adjustments and the reforms were necessary is yielding positive results.

[EL MERCURIO] How is that seen?

[Camet] The president's popularity rating is constantly fluctuating between 60 and 70 percent. The only reason for this approval rate is that people recognize that he is leading a good government and that he is rebuilding a country that had been destroyed.

[EL MERCURIO] The Peruvian stock market has experienced spectacular growth in the past few years. It has grown by 70 percent in the first semester of 1993 alone. How long will this trend last?

[Camet] I believe that at this time Peru is a country of opportunities. When a country begins to overcome its crisis, as we are doing now, and when you can see a promising future ahead, it is time for opportunities. It is the moment things are cheap. I therefore think the trend will continue, and investments or joint ventures and the purchase of Peruvian companies will increase. My opinion is that those who not invest now will lose their chance.

[EL MERCURIO] High profits associated with high risks. How do you see this variable?

[Camet] I would not say there are high risks. Let us analyze the risks. If the economy is open, competition and efficiency will prevail, within the law, and the market will regulate the process. Our legislation on the matter is appropriate, and will be durable because it has been incorporated into the Constitution. What risks, then, are we talking about?

[EL MERCURIO] What about the risk of terrorism?

[Camet] The risk of terrorism has decreased very significantly lately, otherwise we would not have had the rate of investments we have today. There are two prerequisites for investments: an orderly handling of the country, in all aspects, and defeating terrorism. The country does not have any alternative. If we do not pacify the country we will not solve the problem, even if we handle the economy in an orderly manner.

[EL MERCURIO] At what stage is the war against terrorism?

[Camet] We passed from a war we were losing to the offensive, and today we are at a stage where we are working on the destruction of terrorist groups. The figures show this. When this government took over power there were only 83 terrorists in jail. Today we have 2,700 terrorists in jail and are facing the problem of building new prisons and adding security to the existing ones. One one of the two existing terrorist groups has already been destroyed. Only traces of the other group will remain by mid-1995.

[EL MERCURIO] One of the economic team's main tasks has been to privatize state companies. The goal is to sell all state companies by the end of the process. You said that the strategy has been to begin, the process actually started a year and a half ago, by privatizing small companies "to learn how to do it" and then proceeding with larger companies.

[Camet] The process of privatizing a company is not very swift. It lasts between six and eight months in the best of cases. Companies must be cleaned up, made attractive, before they are sold. All this demands money, and we do not have enough of it. The process also demands the creation of a specific privatization committee for each company. We must note that many company officials have participated in those committees as members.

[EL MERCURIO] Do you think that mistakes have been made in the process?

[Camet] In my opinion the mistakes have not been too serious, precisely because the strategy has been excellent. We began with small companies and the mistakes, therefore, were not too important.

[EL MERCURIO] Regarding companies' sales price, some of which were very important: Critics said a short time ago that companies were being sold very cheaply. What can you tell us about this?

[Camet] In all cases, except one, the purchasing price has been greater than the base price determined by experts and the privatizations committee. We have had surprisingly high prices. For instance, we had a base price of $100 million for an iron mine, and we sold it for $300 million plus a very important investment program.

[EL MERCURIO] Some 8 percent of the privatized capital is in Chilean hands. What do you think of this percentage?

[Camet] The origin of the capital is not important. Chilean entrepreneurs have had the ability, after the progress experienced in their country, to see that Peru is a country of opportunities, where investments are welcome no matter their origin.

[EL MERCURIO] Fujimori's government has a year and a half to privatize everything. Will you reach your goal in this period?

[Camet] Yes, definitely. There are still some 200 state companies, but many of them are being liquidated because they were branches of other companies. The most important companies, still in state hands, are fishing companies, the telephone company, and energy and mining companies. There is very strong domestic interest. They are all in the process of being privatized. I

think the process will end before the end of 1994, or before the end of this administration.

[EL MERCURIO] The Peruvian recovery process has been successful. How do you see the future?

[Camet] The first thing you see when you plant a tree is the seed germinating; you cannot see the tree, but you know it is coming.

* Speculation on Guzman's Capitulation' to SIN

93WR0312A Lima SI in Spanish 26 Jul 93 pp 12-13

[Unattributed article]

[Text] For several weeks Vladimiro Montesinos, presidential adviser and SIN [National Intelligence Service] official, has reportedly been conducting—at the Callao naval base—an operation as complex as it was unforeseeable.

On this occasion Montesinos is reportedly attempting to obtain from the terrorist leader Abimael Guzman a filmed statement in which Guzman would announce that "the people's war has ended."

This recording would also be accompanied by a written document in which Guzman, over his signature, formally agrees to the political and military surrender of the PCP-SL [Peruvian Communist Party-Shining Path].

One of the objectives of Guzman's hypothetical surrender would be to ensure Fujimori's reelection and reinvigorate politically the last portion of Fujimori's term in office, which—as in previous administrations—could be the most difficult portion.

But the road to success in this attempt to obtain Guzman's surrender—if in fact such a road exists—is not free of obstacles to the attainment of the much desired political and psychological effects that an announcement of this nature would have on the population and, of course, on some of the followers of the Shining Path movement.

An initial obstacle is the fact that Guzman has reportedly agreed to surrender but only on condition that he be deported: a formula that officers of the FFAA [Armed Forces]—and especially of the Navy—would emphatically reject.

Moreover, it is not readily apparent what the guarantees would be that would enable Guzman to obtain a passport to go abroad.

Conversely, there would be no guarantees that once Guzman were free in a foreign country he would not issue a call for a continuation of the feverish terrorist violence.

There is no question that if the violence in Peru lessens or ends as a result of Abimael Guzman's capitulation, then the course reportedly undertaken by Montesinos—with authorization, of course, from Alberto Fujimori—would be more than justified.

On the other hand, although a capitulation by Guzman offers attractive political and psychological benefits, the formula of releasing and deporting the supreme terrorist chieftain could become a boomerang for the Fujimori administration, if the concessions to Guzman are excessive. How many Peruvians would agree to Guzman's being at liberty in a foreign country in exchange for having announced the surrender of the SL? Apparently very few. In short, it is a high-risk political move with unforeseeable consequences.

And in the event an unconditional capitulation is obtained from Guzman, would that put an end to the subversive violence? Perhaps it could have an impact within one sector of the Shining Path movement, but the effect could prove to be minimal among the SL's principal political and military cadres.

Nevertheless, a capitulation by Guzman on those terms could indeed have an important effect on the general population, but its attractiveness could undoubtedly also be dissipated for other reasons, as for example unemployment, the recession, and low income.

Over the short term, the possibility of a Guzman capitulation would indeed be a valuable instrument for confronting the opposition in the plebiscite (or plebiscites?) that will either ratify or reject the new constitutional text drafted by the CCD [expansion not given].

Moreover, could Montesinos perhaps be attempting to convince Guzman of the possibility of negotiations to get the SL to lay down its arms? Not likely. Shining Path fanaticism does not leave any room for such a possibility. In any event, if one sector of the SL—with or without Guzman—did decide to seek a way to lay down its arms, it would mark the beginning of future schisms and splits, given the present state in which the Shining Path finds itself.

Toward the end of last week it was rumored that in his 28 July message Fujimori would announce Guzman's capitulation. Even the clandestine Leon Dormido military movement issued a statement advising of this possibility. "It would be a profession of self-censure and self-incrimination by Abimael Guzman—filmed and recorded—in which Guzman proclaims an end to the war declared by the Communist Party," the statement says, "and Montesinos would get him to sign it." Leon Dormido says Fujimori will announce it. Well, that is not very likely.

Perez de Cuellar 'Strongly' Conditions Political Bid

PY2508012293 Lima EL COMERCIO in Spanish 7 Aug 93 p A4

[Excerpts] Former UN Secretary General Javier Perez de Cuellar told EL COMERCIO yesterday that he has no

desire to participate in Peruvian politics. Perez de Cuellar said he would only do so under truly exceptional circumstances, and only if the effort entailed merited a change in his current activities at the international level in which, he believes, he has more experience.

Alluding to speculations about his eventual candidacy in view of his recent statements, Javier Perez de Cuellar said: "As a Peruvian citizen I feel it is my duty to serve my country, as I have done so many years as a diplomat. Even in my capacity as UN secretary general I never relinquished my duty to serve my country, but for the time being I am not considering any candidacy."

As far as those statements are concerned, Perez de Cuellar had said he would have to be "strongly persuaded" to consider the possibility of making the radical change of ceasing to be "an anguished observer of the current national situation" to entering the difficult and complex "political scenario." [passage omitted] In answer to whether he had been summoned by a given political party or independent group to participate in some party program or ticket, Perez de Cuellar said that "fortunately" he had not received any proposal of this nature. [passage omitted]

In the last few days the former UN Secretary General broke his silence on political issues to make some demands from the government. At the domestic level, he demanded better conditions for achieving the democratization of the country, and an effective social compensation program aimed at counterbalancing the effects of the current economic adjustment process. At the international level, he demanded responsible handling of border problems with neighboring countries. [passage omitted]

Poll Shows Opposition to Presidential Reelection

PY2508011893 Lima CARETAS in Spanish 12 Aug 93 pp 18-19, 88

[Text] The result of the latest CPI [polling company] poll, which was conducted between 16 and 22 July in eight Peruvian cities before presidential reelection to consecutive terms was approved, with great difficulty, by the CCD [Democratic Constituent Congress], has again brought to the fore many issues that continue to concern Government House officials.

Although Alberto Fujimori continues to enjoy a high rate of approval (4.8 percent believe that the AFF [Alberto Fujimori Fujimori] administration is very good; 58 percent believe it is good; 23.2 percent believe it is adequate; and only 12.1 describe it as bad); presidential reelection is overwhelmingly rejected.

In fact, 26.6 percent accept presidential reelection but for alternate presidential terms; while 29.9 percent believe there should be no presidential reelection at all. This means that 56.5 percent are against reelecting a president for consecutive terms, as opposed to 42.7 percent who are in favor.

In Piura, where people listen to the media from Ecuador—where there is no reelection—46.6 percent are against presidential reelection; in Puno Juliaca 40 percent; and in Cuzco 36 percent [as published].

The CPI poll, however, ratifies the government's good choice in combining the death penalty with presidential reelection, because the vast majority of Peruvians support enforcement of the death penalty for terrorists: 64.7 percent approve it, and 32.7 percent reject it.

In view of the rejection of presidential reelection, there is a serious risk that the referendum—whether global or partial—may not be favorable to the government. The fact is that people tend to forget that although public opinion may overlook all the tricks surrounding the approval of the constitutional regulations by the CCD, they are clearly aware that presidential reelection is an open imposition, and that any additional adornments are just that, a way to make the bitter pill more palatable.

Moreover, an important fact has been overlooked, and that is that IPAL [expansion unknown], an NGO [nongovernmental organization] involved in communications, has conducted a recent investigation. After comparing the effective participation of voters in all Peruvian elections from 1931 to 1992, it was established that the lowest participation of voters in recent history was recorded during the CCD elections: Only 53.09 percent of citizens participated in these elections. According to IPAL, this may lead people to conclude that "perhaps due to the nonparticipation of numerous parties, the CCD elections were the least legitimate in the last 60 years."

At any rate, in view of this we accept with some reservations the claim that the CCD majority is loyally representing the wishes of the entire nation. The issues of presidential reelection and the referendum may turn out to have quite unexpected and shocking results, particularly because in addition to the traditional political parties and the increasing sectors affected by some articles of the new constitution, the middle sectors of society have begun to worry about the risk of granting full freedom of action to an authoritarian regime that no one knows what will do next. Dictatorships are not fully organized from the start. They keep growing like "dinosaurs," as people become increasingly more passive.

All 225 Articles of Draft Constitution Approved

PY2508012593 Lima EXPRESO in Spanish 13 Aug 93 p A6

[Excerpts] After eight months of arduous debate, the Democratic Constituent Congress (CCD) last night concluded by approving the 225 articles of the new Constitution.

Among the issues that were approved during long debates that attracted world attention are the death

penalty for those guilty of treason to the fatherland and terrorism, and presidential reelection for consecutive terms.

Other important issues include constitutional guarantees, constitutional reform, free schooling, social security, and the reform of the judicial branch, the attorney general's office, the electoral system, and the constitutional court, among other aspects.

Constitution Commission President Carlos Torres y Torres-Lara expressed his satisfaction with the work done by legislators from all blocs, adding that it might be possible to convene a referendum to approve the draft constitution next week.

Torres y Torres-Lara said there are four alternative positions: One group wants to submit the entire draft constitution for approval as a single item; another group wants to submit only the controversial issues to a plebiscite; a third group does not want a plebiscite; and a fourth group wants a plebiscite on the entire text with added questions on the controversial points. [passage omitted]

The debate will continue on 17 August. The CCD will then discuss the general and temporary provisions of the new Constitution.

'Unfortunate Confusion' on Peruvian Border Overcome

PY2408233893 Lima EXPRESO in Spanish 14 Aug 93 p A2

[Text] Quito—The Ecuadoran Foreign Ministry and the Peruvian Embassy in Quito reported yesterday that the Peruvian soldiers who entered Ecuadoran territory on 12 August, and raised the Peruvian flag in a common border area, have left the zone and have promised to return the Ecuadoran flag.

Ecuadoran Foreign Minister Diego Paredes, accompanied by Peruvian Ambassador Eduardo Ponce, read a joint communique terming this incident as "unfortunate confusion between a Peruvian patrol and inhabitants of the area" called La Isla, a sandbank measuring 6 hectares in the Zarumilla River.

The communique adds: "Peruvian military officials have ordered the immediate withdrawal of the patrol and the return of the Ecuadoran flag to the Lopez family, the owners of the La Isla." The two parties "regret the incident." The communique adds: Civilian and military officials from both countries "are in permanent contact to coordinate actions and completely and satisfactorily resolve the incident, which shows the spirit of understanding prevailing in relations between Ecuador and Peru."

After reading the communique, Paredes said the incursion took place on 12 August in a zone where there is no Ecuadoran military presence and ended a few hours later with the withdrawal of the small number of Peruvian soldiers from Ecuadoran territory.

The Peruvian ambassador denied that this situation happens frequently, adding that the problem was immediately resolved within the climate "of cordiality" prevailing in bilateral relations.

In another communique, the Ecuadoran Information and Tourism Ministry reported that Ecuadoran President Sixto Duran-Ballen "dismissed the idea that a military incident had occurred."

Congress Approves Creation of Constitutional Court

PY2508013893 Lima EL PERUANO in Spanish 13 Aug 93 p A2

[Text] The CCD [Democratic Constituent Congress] plenum yesterday created the Constitutional Court as an autonomous and independent organ responsible for maintaining respect for and the validity of the Constitution. The decision was made after approving the entire group of articles making up Title V of the new Constitution, entitled Constitutional Guarantees.

The Constitutional Court will have seven members who will be chosen for five-year periods. A two-thirds majority will be required for Congress to approve their nominations.

The requisites for becoming members of this organ are the same as those required for Supreme Court justices.

The Constitutional Court will hear petitions of unconstitutionality, and their decisions will be final. This court will also act as a court of appeals in cases where habeas corpus, amparo, habeas data, or writ of mandamus are denied.

The president of the Republic, the attorney general, the ombudsman, or 25 percent of the total of congressmen will be empowered to file petitions of unconstitutionality.

This right can also be exercised by 5,000 citizens with signatures checked by the National Electoral Court, regions' presidents with the agreement of the Regional Coordinating Council, or provincial mayors with the agreement of their councils.

In any trial, when judges find a conflict between a constitutional norm and a ordinary law they will chose the first.

Article 219 establishes that petitions of habeas corpus, amparo, habeas data, unconstitutionality, class action and writ of mandamus are constitutional guarantees.

In the afternoon session the CCD plenum decided that any constitutional reform must be approved by the absolute majority of congressmen, and the decision must be ratified by a referendum.

The decision is established by Article 225, Title VI, on Constitutional Reform. This chapter also establishes that the referendum can be omitted when Congress approves the reforms in two regular and successive legislative years with votes in favor of more than two-thirds of the total of congressmen. The law on constitutional reform cannot be observed by the president of the Republic.

Congress Approves Organic Law On Hydrocarbons

PY2508190893 Lima LA REPUBLICA in Spanish 14 Aug 93 p 3

[Excerpts] By a landslide majority, the Democratic Constituent Congress [CCD] has approved the Organic Law on Hydrocarbons. This law creates the state company Perupetro [expansion unknown] and changes Petroperu [State Petroleum Agency] to comply with the new Law on Hydrocarbons. [passage omitted]

The Law on Hydrocarbons has 90 articles, four provisional measures, four final measures, and is published in 11 chapters.

The law promotes hydrocarbon development on the basis of free competition and free access to economic activities, seeking to promote national development.

An outstanding feature is the creation of Perupetro, a state company that will negotiate, sign, and supervise the contracts that have so far been managed by Petroperu.

The CCD also approved the Law on the Organization and Functions of Perupetro, which has six chapters, 25 articles, three provisional measures, and eight final measures.

This law establishes that the objective of Perupetro is to promote investment in hydrocarbon exploration and exploitation; to negotiate, sign, and supervise contracts established by law and technical evaluation agreements; and to assume the rights and duties of the contractor in existing contracts that were signed under Decree Law No. 22774 and 22775, their modifying resolutions, and their technical evaluation agreements.

The other objectives of Perupetro are to pay fees, extra fees [sobrecanon], and sales commissions; and to deliver to the Treasury, the day after it is collected, income resulting from the implementation of contracts after deducting payments to contractors, operational costs, and taxes, etc.

Perupetro will have full economic, financial, and administrative independence, and will operate in keeping with the objectives, policies, and strategies approved by the Ministry of Mines and Energy. It is empowered to draw up and sign all kinds of contracts and actions, and will regulate foreign trade operations under foreign trade standards, international law, and generally accepted hydrocarbon industry standards.

The capital of Perupetro is 50,000 new soles, which has been fully subscribed and paid by the state.

Perupetro's executive board will comprise three members from the Ministry of Mines and Energy—one of whom will be the president—and two members from the Ministry of Economy and Finance.

The third law that was approved by the CCD modifies Petroperu to comply with the new Law on Hydrocarbons.

This law states that the objective of Petroperu is to carry out hydrocarbon activities under the terms of the Organic Law on Hydrocarbons.

"Petroperu will operate with full economic, financial, and administrative independence, in keeping with the objectives, policies, and strategies approved by the Ministry of Mines and Energy. It is empowered to draw up and sign all kinds of contracts and actions, and will regulate its foreign trade operations according to foreign trade standards, international law, and generally accepted hydrocarbon industry standards."

The MDI [Democratic Left Movement], which expressed its position through CCD members Julio Castro Gomez and Julio Diaz Palacios, maintains that the Law on Hydrocarbons and the two other approved laws affect national interests in a strategic sector of the economy.

Castro Gomez maintained that approval of the laws is a condition demanded by the World Bank, whose officials designed the laws with the cooperation of the consulting enterprise Booz-Allen & Hamilton, seeking to achieve the full privatization of the hydrocarbon sector in the shortest possible time.

He said the majority refused to debate the privatization policy. They also refused to debate the fact that the government, through its Privatization Committee, has already decided that the state will not engage in entrepreneurial activities in the sector, that it will limit itself to a regulatory, promotional role.

"The private sector will thus have full responsibility throughout the sector, which will lead to the disappearance of Petroperu, because a decision has already been made to sell it in 40 parts." [passage omitted]

Editorial Criticizes Constitutional Reform Project

PY2508010693 Lima EXPRESO in Spanish 8 Aug 93 p A30

[Editorial: "A Constitutional Trap is Being Approved"]

[Text] One of the reasons to change the Constitution—perhaps the main reason—was to establish once and for all a mechanism to help legally solve conflicts and impasses between the executive and the legislative

branches, without having to resort to a coup d'etat, as has time and again been the case in Peru over the past 50 years.

That mechanism is simply the president's constitutional right to dissolve Congress, without giving an explanation of the cause, but with certain limitations, of course, and with the appropriate counterbalances. And indeed the original CCD [Democratic Constituent Congress] project did include what is nothing but pure common sense: learning from historical experience. The understanding is, thus, that had Jose Luis Bustamante y Rivero and Fernando Belaunde been able to legally dissolve their congresses, Odria's or Velasco's coups would have never taken place. And neither would have the Fujimori 5 April coup. We would thus have had 50 years of continuous democracy.

Unfortunately, most people have lost their common sense and have forgotten the significance of the CCD's origin itself, which under normal circumstances would have been precisely the new Congress, elected after the legal dissolution of the previous one. It granted and approved a formula very similar to that of the 1979 Constitution: that in order to dissolve Congress, two censures of ministerial cabinets are required beforehand (and no longer three; what great progress!). We all know very well that this procedure is almost unfeasible. To proclaim it again would mean that we have neither learned nor resolved anything, and will again be doomed to the coups d'etat.

What is worse is that the rest of the text still maintains and has even aggravated the conditions for the emergence of conflicts between the two branches. The system which has finally been achieved seems to have been designed to cause impasses and confrontations and to make the country ungovernable.

In fact, according to the approved text, Congress is elected in the first round of voting and by the single district voting system. That is, what is most probable is that what happened to Fujimori in 1990 will continue happening on a regular basis: The president will not have a majority in Congress. And therefore he will not be able to govern. But neither could he dissolve Congress, unless two of his proposed cabinets are rejected by Congress.

Not only that: Now each new cabinet must receive the approval of Congress at the beginning of its administration. Congress is given even greater power. If to that is added the fact that Congress can issue laws on any subject, and not only on basic or essential laws, as happens in the European parliaments—so that interference with the executive branch will be permanent—the final result is a trap for any president of the Republic, and the country will be ungovernable.

It is also possible, as Congressman Enrique Chirinos Soto himself reported, that Change 90-New Majority gave up the dissolution in exchange for the Renewal Movement's support for immediate presidential reelection.

But support could have been obtained in exchange for another thing. There was no need for that sort of constitutional stinginess of Representative Chirinos Soto, who is opposed to an unmotivated dissolution because it can give "the image" of an autocratic executive branch. Absurd and untimely fear of that political "what would they say"—perhaps belated guilt for having joined the CCD—because in practice the president would think it over several times before dissolving Congress. Because if he ended up losing the bet, and the new Congress also became an opposition, the president would, in practice, be turned into a chief of state. He would stop being a chief of government. And the cabinet would also become, in practice, a congressional cabinet; the regime would automatically become a parliamentarian system. The institution was thus wise and balanced.

In conclusion, either dissolution is restored as it was before, or the multiple one-candidate district voting system is hereby established through a second round of voting, and the legislative capacity of Congress becomes limited. We no longer want coups d'etat. The 5 April political trauma can only be redeemed if it ends up producing a modern and agile government system, not the same old jammed apparatus.

Uruguay

South Africa's De Klerk Holds Talks With Lacalle

MB2308174893 Johannesburg SAPA in English 1700 GMT 23 Aug 93

[Report by Lorraine Braid]

[Text] Montevideo Aug 23 SAPA—Political leaders would have to take joint responsibility for "very firm steps" if the level of violence in South Africa did not abate within the next two months, State President F. W. de Klerk said on Monday. Addressing a news conference in the Uruguayan capital of Montevideo, Mr. De Klerk said he was confident that "the next month or two will bring us nearer to a point" where there would be an abatement in the high level of political violence. "If not, political leaders will have to take joint responsibility and have to take very firm steps because we cannot have free and fair elections with the present level of violence." He was, however, confident that agreement in the constitutional process, on transitional executive councils (TECs) and other related matters, would help bring the level of violence down "because those wanting to disrupt the negotiations will then know they have not succeeded".

Mr. De Klerk and Uruguayan President Dr. Luis Lacalle were scheduled to have talks for 45 minutes but this stretched to nearly two hours. Mr. De Klerk said he was impressed by the deep understanding by Dr. Lacalle of the process in South Africa. The two leaders discussed several issues, including improving bilateral trade and

the preservation and development of natural resources in the South Atlantic Ocean.

Mr. De Klerk spoke of moves towards establishing a sovereign African economic community with a market of about 100 million people. "It will also offer challenges and opportunities to Uruguay's private sector. I hope this visit will serve as a stimulation for the already good relations between the two countries and the beginning of a new period of growth in interaction between us." He said trade agreements between governments served to open the doors for businessmen. An area in which he saw "tremendous possibilities" was investment by South African companies in other countries. "We likewise welcome multi-national involvement in our economy. I foresee that, with the pivotal position of Uruguay's Mercosur (the Latin-American common market), we will see the level of interaction between the private sectors of our countries intensify fairly dramatically," Mr. De Klerk said.

President Lacalle said trade was uneven between the two countries. "We import more than we export and would like to balance this. We feel the business delegation accompanying Mr. De Klerk is a good indication of interest between the two countries," he said.

The two also discussed a drugs enforcement agreement, and Dr. Lacalle told Mr. De Klerk it was legally possible to investigate Uruguay's banking accounts suspected of being used for laundering money. "We tend to co-operate on information. The drug problem is on several levels and we spoke about mutual information and co-operation through treaties and our justice systems," Dr. Lacalle said.

Mr. De Klerk said South Africa was upgrading its anti-drug activity and would be tightening legislation for closer co-operation with friendly countries. "We are near to the conclusion of an agreement which contains all the aspects Dr. Lacalle has mentioned."

Referring to an invitation to visit South Africa, Dr. Lacalle said he would love to accept. "Sadly, it will not be this year. But I hope to go before the election."

Sign Joint Declaration

PY2408144293 Madrid EFE in Spanish 0054 GMT 24 Aug 93

[Text] Montevideo, 23 Aug (EFE)—Today, South African President Frederik de Klerk signed a joint declaration with his Uruguayan counterpart, Luis Alberto Lacalle, saying that negotiations have begun for establishing bilateral agreements on culture, trade, and investments.

De Klerk, who arrived in Montevideo on 22 August on the first leg of a tour of the Southern Cone countries, began a busy schedule yesterday that will end when he leaves for Chile on 24 August. Today, he held a private meeting with President Lacalle while South African Deputy Foreign Minister R.S. Schofman met Uruguayan diplomats, and a delegation of South African businessmen began a round of talks with their Uruguayan counterpart.

President de Klerk began his activities very early when he placed a floral wreath at the monument of patriot Jose Gervasio Artigas. After meeting with Lacalle, de Klerk visited Congress, where he met vice president and Congress President Gonzalo Aguirre and members of the Foreign Relations Committees of the Chamber of Representatives and the Senate. He then visited the Supreme Court, where he met the court members. He also visited Montevideo City Hall, where Mayor Tabare Vazquez gave him the key to the city.

In the joint declaration, de Klerk explains "the political evolution in his country and his desire that free and just elections will be held on 27 April 1994." The two presidents also pointed out that negotiations are being held to reach an agreement to eliminate visa requirements for tourists and businessmen from the two countries. Simultaneously, the South African Government announced that it has eliminated visa requirements for Uruguayans wanting to visit that country.

The two presidents also agreed to support measures to balance and increase bilateral trade. The joint declaration also says an agreement was reached to begin a process to identify obstacles in their relations. They also decided to support actions to promote the preservation of marine resources and the environment in the South Atlantic.

De Klerk and Lacalle also expressed their willingness to promote campaigns against drug trafficking and offer incentives for scientific research against AIDS. Regarding military matters, de Klerk and Lacalle mentioned the "excellent cooperation between the Armed Forces of their two countries. President Lacalle expressed his gratitude for the cooperation provided by South Africa to the Uruguayan members of the UN peacekeeping force in Mozambique."

At the conclusion of the meeting, de Klerk invited Lacalle to visit South Africa.

Venezuela

* Defense Minister on Budget, Coup Attempts

93SM0382A Caracas ZETA in Spanish 15 Jul 93 pp 14-22

[Interview with Defense Minister Radames Munoz Leon by Jurate Rosales in Caracas; date not given—first two paragraphs are editorial introduction]

[Excerpts] [passage omitted] He is from the Caracas parish of San Jose. (He said: "I was born and grew up in San Jose.") He studied at the Colegio Garcia Guerra [elementary school], at Don Bosco [high school], and spent one year at the Liceo Andres Bello [college preparatory school]. Later, he was the officer who signed an

agreement with the UCV [Central University of Venezuela], between its house of studies and the Higher School of War. At the time he signed the agreement he himself was taking a post-graduate course in management. He graduated from the UCV as a "General Manager" and was considered a "specialist."

Perhaps for that reason, when he spoke of the Ministry of Defense, he analyzed economic difficulties from a management point of view.

Munoz Leon said: "We are in a difficult, economic situation. The majority of the payment vouchers which have been issued are still awaiting payment, due to the lack of cash. However, we are administering our affairs with the limited resources which we have and with reserve funds to continue covering essential items: salaries, urgent commitments, etc, until the administration can solve this problem for us. It is not easy, but I believe that we are all in the same situation."

[Rosales] Is it possible that the administration of the Ministry of Defense is as much in the red as the government is?

[Munoz Leon] "The ministry is keeping its commitments as far as it can. In some respects we are already in the red. However, at least salaries—the salaries that are due—are being paid, which is the most important aspect. Daily necessities, such as meals, etc—everything handled by the quartermaster—are being provided normally and regularly in each of the installations belonging to the Ministry of Defense. What we have is a commitment for the ultimate payment of expenditures for operating costs. In some categories payments are overdue, to some extent. "Congressional consideration of the Ley de Paraguas [overall defense authorization bill] has just been completed. This is a law which allocates the resources of the Ministry of Defense which we need for fiscal year 1993 and also for 1994, to deal with the problems of maintenance. Nevertheless, this is still on paper. Then comes the financing of these expenditures and still to come is the way in which we are going to obtain that financing and make the related payments."

He was asked about programs and the maintenance of equipment. He answered us directly.

[Munoz Leon] The various programs are being approved, of course. We are doing the basic things, establishing priorities, and continuing to take care of the equipment scheduled for maintenance.

With the reserves and the equipment which we have we are maintaining an appropriate security program. Nevertheless, there are other weapons systems—Navy frigates, for example, as you know very well. There are some weapons systems under construction in the shipyards—for example, submarines, which, I am proud to say, are going to be the most modern in Latin America.

[Rosales] I understand that when some of the submarines had more powerful engines installed in Germany, many other things were added that were not in the original contract.

[Munoz Leon] No, that is not true. In the case of the submarines, a theoretical model was prepared—a draft of a strategic analysis—and the shipyard worked in accordance with those requirements. The things added were improvements, which were discovered to be needed during the repair process. This made it possible to add some additional features or change other things which improved their design. For example, the compressed air bottles were changed, and the generator system was replaced by alternators, the new technology in submarines. Really, this gives us considerable advantages, because the generators were a minor source of noise. The alternators are more reliable in preventing fires and avoiding a series of situations which sometimes come up in submarines. [passage omitted]

[Rosales] And why do you say that the Venezuelan submarines, which are having more powerful engines installed in Germany, will be the best in Latin America? What special features will they have?

[Munoz Leon] They will have an electronic system of sensors and fire control, centralized at one point and using the most recent technology. This will make it possible to detect other submarines and ships at long distances. This new equipment will provide answers to the problem of fire control with high resolution, reliability, and in a short time. For example, in a submarine with a well-trained crew and with the previous equipment a fire control problem used to be solved in about 20 minutes. With this new equipment it can be done in five minutes. What does the advantage of 15 minutes mean? In combat against other submarines time is vital, because the distances are very short. If there is no reaction and no solution to fire control problems, as a practical matter you lose the opportunity to fire your torpedoes. Those 15 minutes are an interesting, strategic fact, because, in addition to being effective against any surface attack, it also makes it possible to fight against other submarines.

[Rosales] But it is not very likely that Venezuela will have a war against other submarines. The only thing that is necessary is to patrol and protect its territorial sea, which is very extensive.

[Munoz Leon] The United States and the Soviet Union were threatened with nuclear war for many years, but you see that both countries had highly developed navies and still have them. As long as the possibility of war exists, armed forces will also exist. As you said, war is unlikely, but this is part of one's military potential which makes it possible for nations to take certain positions in their negotiations and relationships with other countries. If you are a citizen of a weak state, you are at a disadvantage in negotiations.

[Rosales] And what happened to the frigates? Where are they? Are they in Venezuela or in the United States?

[Munoz Leon] They are in Puerto Cabello [Venezuela].

[Rosales] All of them?

[Munoz Leon] All of them. Well, some of them are at sea.

[Rosales] Are you ultimately going to sign the contract for their modernization?

[Munoz Leon] I hope that it can be signed. However, at present the frigates have some problems. For example, the question which came up in connection with Clause 2 of the contract has still not been resolved. This concerns the manner of payment. A clear agreement has not been reached between the Ministry of Finance and the company handling the refitting. Once that is resolved and funds provided under the overall military law can be certified as available, then we will be able to arrange for the signature of the contract. Remember that a contract cannot be signed without a certification that the funds are available.

[Rosales] The North American company involved is not going to wait forever until the Ministry of Finance has the money.

[Munoz Leon] That is the risk which we are running in this matter. We have been understanding about this situation, and I hope that the company will also be understanding. This is not a problem limited to the Navy or to the Ministry of Defense. It is a problem for the country. There are two sides to the scale regarding this matter. On one side is the economic situation. On the other side are defense considerations. We are in a really difficult situation. I have the same view that you have, that we cannot wait forever. I have a great deal of hope. However, I see that in some respects we could be hurt, because, all of a sudden, prices may change or, at least, someone may cancel those prices.

Well, the frigates are operating—some of them under conditions which can continue for some further time. Regarding the two oldest frigates—let us put it this way—if they are not properly maintained, they will suffer from the wear and tear of time. I think that if the problem is not resolved quickly, we will have to take emergency action to keep them in operable condition with the funds which we have available. This will make it possible not only for them to sail to the place where they will be repaired but also to operate in case of emergency. We are working on that matter.

[Rosales] Are you really afraid that they may not be able to sail to the place where they will be repaired?

[Munoz Leon] It might happen that they would be damaged. It might happen that one of their engines would break down, it could be that some kind of machinery would require repair, or it could be that a ship might have some kind of technical equipment break down. However, such conditions could be handled in Venezuela. We have the technical capability to do it.

[Rosales] I would like to turn to another matter. What are the salaries of a non-commissioned officer, a lieutenant colonel, and a general?

[Munoz Leon] They get very little. I can say that any member of Congress makes more money than a minister of defense. Recently, someone said that the director of the PTJ [Judicial Technical Police] receives about 300,000 bolivares in salary. If that is true, it would amount to three times what the minister of defense is getting. Take myself, for example, the highest ranking man in the armed forces. However, what I make is the same as any major general. I get no special privileges from being minister of defense.

[Rosales] Is there much of a brain drain?

[Munoz Leon] Yes. Private industry is hiring many of our personnel.

[Rosales] Which branch of the armed forces suffers the most?

[Munoz Leon] Basically, the Air Force and the Navy.

[Rosales] Well, they are specialists.

[Munoz Leon] Yes, but this is creating a crisis for us. We feel it, but we have a continuing program of educational training. The other aspect is that this brain drain is not to any foreign country. It is to Venezuela. So we also feel proud when we see that our men hold important positions in Venezuelan industry.

[Rosales] Do you believe that social and economic conditions had much to do with the abortive coups d'etat of 4 February and 27 November?

[Munoz Leon] In part, yes, but only in part, because the coups of 4 February and 27 November involved a number of things. They involved a number of considerations: some of them spiritual, others involving beliefs, others involving a desire to hold power, still others involving ambitions, as well as some additional circumstances reflecting the social problems which members of the armed forces are experiencing. They were looking for a solution by means of a coup d'etat. At the time of Minister of Defense Jurado Toro, a whole program of social welfare within the armed forces was undertaken. However, it was not possible to carry it out completely, because of its economic situation, the country really had to call for certain sacrifices to be made. We can also say that a great deal of progress has been made regarding the social welfare situation within the armed forces. Since these two military rebellions, there has been a change. We are involved in a process of change within the country, which is not due precisely to these things, although many people have tried to attribute this change to the two uprisings. Undoubtedly, our national and our military structures have been shaken by these two rebellions, because we were living as though we were what I

call a people suffering from the illness of democracy. I do not mean anything pejorative by this time. It is simply that we were so deeply asleep, so sure of what we had, of the situation in which we were living, of the democracy under which we were living, that we had not really taken into account that we were going through a world process of social change and that we could not escape from these things.

[Rosales] Do you feel any understanding for those involved in the coups d'etat?

[Munoz Leon] In what sense?

[Rosales] What is your feeling about them, not as a minister, not as an officer, but in the human sense?

[Munoz Leon] Well, look, I regret very much that some of us who are members of the armed forces, who have defended the democratic system in this country, and who fought for this system should be in the situation where they are right now. I believe that, as fellow members of the armed forces, they deserve respect, consideration, and attention from us. I am sorry for their families, because I have witnessed some of the pain felt by them. Seeing them in this situation moves me as a human being. My view of them is also divided because of my responsibilities. I have a responsibility to the armed forces.

[Rosales] The responsibility of uniting the armed forces or of dismissing such persons from it?

[Munoz Leon] The responsibility raised in your clever question involves trying as far as possible—as far as possible—to bring back into the armed forces those who were really in this situation because of a misunderstanding.

[Rosales] Then you are not referring to all of them.

[Munoz Leon] Not all of them. I believe that there is no place in the armed forces for those who are convinced that they can change the present situation through the use of force. I believe—and my best advice and counsel for them, if it can be called advice and counsel—would be that they understand that through the political system they can continue to present and defend their ideas. And if they convince the Venezuelan people—the Venezuelan people, why not—they would be where the Venezuelan people place them within the democratic system. That does not mean expelling them or returning them to the armed forces. It means accepting the responsibility which we have to the country.

[Rosales] You are talking about a case by case review of their situation.

[Munoz Leon] It would involve a case by case review.

[Rosales] For example, when you ordered a message to be sent to General Visconti in Peru, was there something more personal than what was in the press or was this simply all that you ordered to be sent as a message?

[Munoz Leon] I gave General Visconti and all of those who are with him an opportunity to return to Venezuela.

[Rosales] But they would still be prisoners?

[Munoz Leon] They would have to face the consequences of their actions. We need to understand the following. There was a military coup d'etat. There is a group of individuals who are in prison for making public statements when they bore certain responsibilities. Do you think that it would be right for another group to come back and to remain at liberty, as if nothing had happened, while these people are in jail? That is not the way justice works. I think that they should accept equal responsibility with their comrades who remained here in Venezuela from the first moment when things began to happen and who did not have the privilege of going abroad or of being considered exiles, living in freedom in another country. They have the personal choice of returning. No one is forcing them to do so—no one, not even public opinion. Simply speaking, they have the option of being able to return to the country and facing up to their responsibilities as they relate to men of honor and people with courage which is the standard and principle covering members of the armed forces.

[Rosales] What is your recommendation to the president of Venezuela as minister of defense?

[Munoz Leon] In what sense?

[Rosales] Would you recommend a judicial stay of proceedings against them or strict judgment of them?

[Munoz Leon] My recommendation is that the legal processes in effect should continue to operate without any interference from the president, from the minister of defense, or from anyone. The movement under way in the area of public opinion should not seek to condemn or to release the individuals who are on trial. Let this movement in public opinion allow the judicial process to move forward in all neutrality and objectivity, so that the accused will receive a verdict in the courts of justice in a clear and open way. I cannot recommend either one thing or the other, because I believe that this would involve intervening in the process. I would say to the president that we are going to continue to follow a policy of the kind which he expressed in his speech when he assumed office, that is, to continue studying the various cases and to go on identifying those who were really not guilty in any major sense. This is not a new policy. It is the policy which has been evolving since these events took place. Remember that we are holding nearly 500 officers in jail, of whom barely 100 have been formally charged. That is something which you must keep in mind. As for the rest of those involved in the coup attempts, some of them have been returned to duty and some have been dismissed from the armed forces. We have been releasing people. It happens that we are not making a lot of fuss about these things.

[Rosales] And they are normally reassigned to their usual duties?

[Munoz Leon] Yes. There is a list of those who have been reassigned to their usual activities. The lieutenant colonels, who were the commanders of the coups d'etat, are not on this list. But we are certainly talking about higher ranking officers in command positions at the respective levels. These officers who have been released continue to be subject to a certain amount of supervision. They really have to prove to the armed forces that they deserve the confidence which we have placed in them. They have to prove this in their work, by their sense of professionalism, and by their conduct. Some of them have already been considered for promotion, precisely because they have met the requirements which we set down for their return to duty.

[Rosales] Is there still a Bolivarian undertone in the armed forces?

[Munoz Leon] That is a difficult question to answer for the following reasons: When we entered the Military Academy, the first thing that we saw was material called the Bolivarian catechism. To us, Bolivar is an example, a good example. And we cannot make a bad example of him. Bolivar was a great democrat who scorned the title of dictator, preferring to be called the liberator. He despised any display of monarchical practices or any indication which suggested that he was outside the framework of the democratic concept of his struggle.

[Rosales] Then let us say that the question should be whether the Bolivarian 200 Revolutionary Movement is still active in the armed forces.

[Munoz Leon] I would say that there are still some people who are active. However, in reality this situation is not serious enough to be alarming in that sense. This movement continues to have some contacts for one simple reason: We continue to be comrades, we trained together, we associated with each other. Personally, I am a comrade of Adm Gruber Odreman. I am his personal friend.

[Rosales] Have you visited him?

[Munoz Leon] No. He visited me here, in my office.

[Rosales] And how did the conversation go?

[Munoz Leon] It was very interesting. We sat on the same sofa where you are seated—the two of us together, as friends and as brothers. He made a series of proposals to me. Today he sent me a letter to this effect. He made a series of proposals concerning some of the needs of the officers who are with him. He has assumed responsibility for dealing with each one of the cases of the officers who are with him—as a leader, as is proper for a man of his rank. You remember a little bit about World War II. In those prisoner of war camps the commander of the prisoners was the highest ranking officer among them. Well, something like that is happening here, although we are not involved in war or in a concentration camp situation. This is a military prison, where there are various needs and men who are asking to have these needs taken care of. The prisoners do this through their natural leader, the oldest man, the highest-ranking man. This is the role which Admiral Gruber has assumed at San Carlos Barracks. He made a series of proposals on behalf of the people with him—their needs and their situation, which I am going to deal with as far as possible, without making any special concessions to them. We should remember that there do not have to be any concessions or favoritism shown to anyone in particular, because what caused this situation is the problem. I have to deal with their needs as a group and try to handle their situation as far as possible. Let us remember that San Carlos Barracks is an old building. It is a barracks which has many shortcomings. I believe that calling it an old building still amounts to calling it fairly new. It is not a ruin because it has been maintained over time, but it is not the best place to be. We have tried to make improvements and help them. We have almost completed construction of a military prison at Los Teques, in Ramo Verde, which was designed as a prison. It has excellent sanitary facilities, the climate is suitable, and it meets the necessary conditions of health, security, and control, so that it can be used for them.

Now an argument has arisen, which I am sure you have heard of, that the prisoners will not be released from where they are being held for any reason. There has also been talk that they will only leave their cells when they are dead. I tell you once and for all: I am not attacking them physically, nor will I ever attack them physically to force them to to another place. I am not going to do that. Such extreme measures are taken when there is a riot or when there is a complete refusal to obey orders or when there is military disobedience. Perhaps things could reach such extremes. I would have the power to do that but I have no intention of doing so. I am not going to do that. I believe that if they want to stay where they are, where they themselves have complained about conditions in the past, despite the fact that I am offering them something much better, it is their decision, not mine. I have no problem with their staying there. However, I am going to offer them a better place. I will take everyone who wants to go there voluntarily. However, if they want to stay there alone, where they now are, that is their problem.

[Rosales] Does that include not only San Carlos Barracks but also Yare Prison?

[Munoz Leon] That includes Yare and Lino de Clemente Prisons, the Military Police Regiment facility, and the people in Santa Ana Jail, who are living under subhuman conditions, because they are chained to common criminals—a situation that I do not want any of them to be in. I am giving them a decent place to live. I should tell you something. This is not a deluxe hotel. It is a jail, a prison. [passage omitted]

[Rosales] We talked about the Bolivarian Movement. Let us turn now to another and very different type of

infiltration. How many followers of Herminio Fuenmayor are still being held by the DIM [Military Intelligence Directorate]?

[Munoz Leon] No one. I must say something about your question. The people concerned are not followers of Herminio Fuenmayor. They are members of the armed forces.

[Rosales] Please...

[Munoz Leon] I am giving you my answer, and you are making comments on it. The people involved are not followers of Herminio Fuenmayor. That is like asking how many supporters of the minister of defense are in the armed forces.

[Rosales] Have some persons recently been transferred from the DIM detention center?

[Munoz Leon] Yes, and I will tell you why. In the armed forces nothing belongs to any particular person. They are assigned there by a minister with authority to hold a given position at a certain moment of time. There may be friendly relationships between people, based on convenience, as you suggest. That can happen because everything is possible. Nevertheless, I want to tell you that people are assigned to those positions for two years, as provided in the regulations. As an exceptional measure that period of assignment can be extended. The DIM functions with people who are specialists in intelligence. You do not necessarily have to be a murderer or his accomplice or to be someone like that in particular.

[Rosales] But Vivas Useche died in the DIM detention center.

[Munoz Leon] Many people have died in the streets.

[Rosales] When he died, there were very few people with him, and his death has never been cleared up.

[Munoz Leon] Then this is the situation: if you think like that and have evidence to support it, why not take the matter to the courts and act in accordance with the law? Do you not think that this would be better than just talking about it? Arguing forcefully in a clear complaint to a court?

[Rosales] My question was why the DIM did not investigate the death of Vivas Useche.

[Munoz Leon] Are you sure about that?

[Rosales] Well, the results of an investigation have never been seen.

[Munoz Leon] I do not know. I cannot tell you anything about that at this moment. I cannot tell you because I simply do not know. I have heard of this case, but I could not even give you an opinion, because I have not read anything about it. Really, let me ask about it. Remember that I have been in this position for one week. The fact that I have served for 30 years in the armed forces does not mean that I have had access to everything. Remember that in the armed forces everyone knows what he needs to know. Even as chief of the Joint General Staff I did not have access to certain secret, high level intelligence reports which are handled in a given place and at a given moment. Now, when I am minister of defense, I am also authorized to receive secret intelligence information. I have not read about or studied this case in particular. I do not even know what the present situation is regarding it. I could say something to you—say anything, express any opinion. However, I would be telling less than the truth for a simple reason: I do not know whether this matter is still under consideration or simply if it concerns a completed investigation. I do not know. In any case, you have given me something to think about. I am going to ask about it, because I really do not know. Now, what I wanted to say in making these remarks is that the Directorate of Military Intelligence is not a repressive body. We have an investigative body, an intelligence corps which is the organization which gives us appropriate information and makes it possible for us to make arrangements in advance to prevent criminal and subversive activities which, at times, the country experiences. At times that intelligence organization makes it possible for you to live in peace, although this may bother the consciences of some people.

[Rosales] During the past two years peace has been very relative.

[Munoz Leon] Well, yes, that is true. No one thinks about those who died, either on 27 November or on 4 February. Those people have no family or relatives to mourn them. Those deaths are the result of the need felt by a group of individuals who decided to rise up against the democratic and constitutional order, whom many people, including those in the communications media, applaud as if nothing happened. At times I am astonished at the lack of justice. Justice applies to everyone, whether it involves looking at the situation affecting the Venezuelan people, the circumstances under which the armed services operate, or those who suffer in both categories, because of decisions made or not made. However, justice is blind. You cannot look in any direction in particular because of the way things are in these Bolivarian movements or because of the way they express some of our own personal feelings. I believe that we must be objective and clear. I believe in justice and the law which we have, because Venezuela is the country in which we live. [passage omitted]

[Rosales] I do not remember any case in which Congress has rejected a military promotion.

[Munoz Leon] You do not remember any, but I do. The first three cases involved the Navy. There was the record of a trial, and those mentioned in the trial record who were nominated for promotion were removed from the list by Congress, at the request of the armed forces, because certain evidence was discovered. Congress investigated the complaint which the armed forces made, and the individuals were removed from the list. I

am not going to give you the names involved, because they were people who have paid the penalty, and I must respect them.

[Rosales] But in this case it was the armed forces which asked Congress to cancel the promotions of those three persons.

[Munoz Leon] That is always the case, because Congress is not an investigative body. When a complaint is presented to Congress, it appoints committees to investigate them, or congressional committees as a group carry out the investigation, as was the case in the matter to which you are referring. Well, now, Congress investigated the complaint.

[Rosales] Will there be any change in the promotion system?

[Munoz Leon] Yes. I am going to try to modernize the system of preparing performance reports. I will set up a performance evaluation form which is not the same for everyone, as it is right now, but is specific for a given position. The one used for evaluating a colonel will not be the same as the one used for a lieutenant. The form will evaluate the management of people. For example, say that I gave you so many bolivares, I gave you a goal, I gave you an objective, and you reached it. You get 100 percent. If you did not reach it, you will have a value based on what you did or did not do. That is a new kind of administration.

[Rosales] Will you use computers?

[Munoz Leon] Yes, certainly. The problem for a computer is to develop statistics more quickly. A computer cannot speak and only does what someone tells it to do. However, a system has to be set up so that things are done in a standard way, correctly and without any errors.

[Rosales] Will that eliminate the human touch?

[Munoz Leon] No, that is impossible. Because a human being picks up his pen to write down concepts and numbers. The computer which does this handles its job mathematically, according to an established, processing model. However, modernizing the evaluation form involves making the evaluation suitable for the individual or for the superior officer, which the senior officer in an organization prepares concerning his subordinates. I suppose that you have to do this in your own organization. The armed forces do this within their own organization, using methods as modern as possible. That is what I want: to modernize the system.

The other matter that I am going to propose is changing some aspects of the regulations which themselves harm the image of the promotion process, precisely because they could be subject to manipulation by human beings. So what would we do with the regulations? Test them, arrange a meeting between the superior officer and his subordinate or bring the superior officer and his subordinate together and consider the conduct of the person involved, so that he can change his attitude. Give him a daily opportunity to change his behavior so that he can obtain better evaluations and really perform his role as a leader and director. That can be done through changes in the service performance regulations and some innovative ideas regarding evaluations, like the ones which PDVSA [Venezuelan Petroleum Company, Inc.] has, for example. Among other things, in this connection, we are requesting some advice on the evaluation system from the United States Navy and other organizations which prepare evaluation systems for other armed services in the developed countries of the world. The idea is progress. The idea is to be as objective as possible, as close as possible to reality, but never removing the human touch from those objectives. Because, finally, people evaluate people. Machines do not evaluate people. Machines do not think.

[Rosales] And political interference?

[Munoz Leon] Well, thank you. (There was a brief silence, and then he continued.) I believe that we have come to a process or a situation in the life of our country where whatever kind of interference... We are accustomed to telling politicians that they are responsible for interference. No, in my present position I receive the views of many people, whether they connected or not to political life, friends, comrades, etc. That is, there are many things which we experience at times, including the well known feeling of friendship common among the Venezuelan people. The Venezuelan people have very strong feelings of friendship. At times you can give your life for a friend. We feel sympathy for them and, if possible, we help them without any further consideration. We do this and, at times, we do some small, illegal things to help a friend.

[Rosales] But when the friend is involved, things get complicated.

[Munoz Leon] Of course, of course. We always believe that a friend is a friend. He or she is not an interested party. When we discover that he or she is an interested party, we are really disillusioned and we lose close friends because of that. I refer to the fact that interference does not only come from politicians but from everywhere, from all directions, and even from one's own family members. But I want to say this: there is an article in the basic law of the armed forces which states that any person who makes use of influence of any kind will have his next scheduled promotion delayed for three years. We introduced this article in 1992 under Minister of Defense Ivan Jimenez, and we have applied it. And anyone who brings me a biographic report, just as happened in 1992 to Minister of Defense Ivan Jimenez, or a letter urging the promotion of anyone, will automatically have his promotion held up for three years, because a person who is worthy of promotion does not make use of others. That is going to be my attitude on this matter. [passage omitted]

[Rosales] But you are apolitical in a political position.

[Munoz Leon] I would say that I am an individual who has no ties to any party. However, I have my own views, and those views may be called political, as would be the views of any Venezuelan citizen who analyzes the present situation.

[Rosales] What are your political views?

[Munoz Leon] The progress of my country.

[Rosales] Through the democratic process, whoever is elected?

[Munoz Leon] Whoever is elected. The people elect the president. The people want to be governed by the person whom they elect. The minister of defense does not elect the president. A given group of persons who ignore the interests of the people do not elect the president.

[Rosales] You do not think that it would be a good idea if the military were a deliberative body?

[Munoz Leon] I do not think so.

[Rosales] You prefer that the military should not be a deliberative body?

[Munoz Leon] The process of deliberation would turn us into warring factions, and factionalized armed forces are highly dangerous. We have had two experiences in this respect which we do not want to repeat or live through again. Well, as far as my being mysterious is concerned, I do not know why they say this. I am a very clear, open person who handles things in a truthful way and with a certain amount of humility, because when I do not know something, I do not know it. It is difficult. I have no links to anyone or to any party, neither this one or that one. It has hurt me to hear someone say, on the one hand, that the high command has promoted someone because of political favoritism. I have not been, as you say, a member of any military faction, nor am I the friend of any particular politician. I have friends everywhere and I am open to everyone and to all kinds of views. I have my own views and I express them when I am asked, when I am consulted, or when we consider matters of that kind, whoever is involved and however these matters come up.

* Fedecamaras 'Accepts' Assets Tax To Reduce Deficit

93SM0392A Caracas EL NACIONAL in Spanish 29 Jul 93 p 1 Economy Section

[Article by Alicia Aguilar]

[Text] The worsening of the country's fiscal problems is obliging the business community to reconsider its position regarding the setting of new taxes, admitted Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] President Edgard Romero Nava, who announced that the business group accepts the assets tax.

"Acceptance" of this tax was agreed upon at the "business summit" celebrated yesterday at the umbrella organization's headquarters, by senior representatives of the industrial, commercial, banking, agricultural, and construction sectors, who agreed to a "change in attitude" to respond with actions to resolving the fiscal deficit and formulating proposals.

After this meeting, which lasted one or two hours, Romero Nava called his first press conference as Fedecamaras president, to report on the "recognition of fiscal reality" which "is inducing the private sector to take up new attitudes, especially with regard to tax reform."

Accompanied by several members of his executive committee, Romero Nava repeated the "traditional opposition" of business owners to the levying of new taxes, given our experience as Venezuelans that for the taxpayer, the taxes do not represent an even exchange resulting in improvements in public services and in activities that are the purview of the State. "For that reason, we oppose pouring more money into the bottomless pit of the State."

He emphasized that the State's fiscal crisis, closely related to the problem of inflation, can be attacked from two angles: revenues and expenditures.

"In the first scenario," he said, "the private sector's new opinion is that we should all contribute to resolving the deficit, and if new taxes are necessary to do so, then we are willing to pay them."

He added that the private sector is conscious of its obligation to do its share in this sense, and therefore accepts the need to modernize and broaden the tax base, admitting that the Tax on Business Assets falls within this area.

However, business owners' willingness to contribute to resolving the fiscal emergency has its limits. Romero Nava stressed that the country needs to attract and consolidate new investment, which generates employment, growth, and wealth, so it is not appropriate to tax businesses interested in contributing to these goals.

Fedecamaras will unleash its full persuasive powers to make members of congress see that the 2-percent rate being considered in the tax proposal must be reduced to "under 1 percent," and it must also be temporary in nature.

"Of course, what we want to make them feel is that we are willing to respond with positive attitudes and actions. Never write blank checks, or make unconditional offers. The basic condition is that the Business Assets Tax, like the IVA [value-added tax], must not become a vehicle for evasion, an eternal punishment for those willing to pay them, and an instrument of power to be applied at whim," Romero Nava stated.

He repeated that business owners are showing their willingness to "share risks with the executive branch" in confronting the fiscal deficit, but the president must

commit himself to a change in attitude to be "more practical in deed and less politically calculating."

He added that at the same time as the revenue base is broadened, the public sector must move to reduce unproductive expenditures, and thus the government cannot "continue evading its obligation to justify the prices of the goods and services that the State provides."

"We must wage mortal combat against inflation," he said, "not through speeches, but rather through sincere confrontation of its causes, applying measures involving Venezuelans in a productive response, and stimulating domestic and international investment to contribute significantly to this effort.

Asked about the possibility of taxing banking transactions at a rate of between 0.10 and 0.25 percent, Romero Nava said, "What would you think if you gave a check to your wife to go to the store, and they deducted a tax, and didn't first justify the cost of gasoline?

* 'Irregularities' in Bolivar State Reported

93SM0392B Caracas EL NACIONAL in Spanish 29 Jul 93 p D1

[Article by Ascension Reyes R.]

[Excerpt] The Comptroller General of the Republic has supported the report on irregularities detected in Bolivar State's administration, which have resulted in the initiation of an investigation by the Deputies Comptrollers Committee.

This was disclosed at Comptroller General of the Republic Jose Ramon Medina's appearance before the parliamentary subcommittee carrying out the aforementioned investigation.

According to the report drafted by the country's highest comptroller's body, administrative irregularities within the regional administration were noted, as was the hiring of staff without the necessary budget authority, the failure to require surety bonds and guarantees, the lack of financial statements by local government officials, and other violations.

The report was contested by regional leader Andres Velasquez, who in turn sent to the comptroller's office another report showing proof of compliance, but the higher comptroller's body believed that these were not sufficient and demanded a more exhaustive audit and other requirements, which resulted in the accusations of irregular activities, which were further defined in a second report elaborating on the case, which will be sent today to the comptrollership subcommittee headed by Deputy Luis Tomas Izaguirre (AD) [Democratic Action].

Comptroller Jose Ramon Medina, who was accompanied at his appearance by Nora Guerra and Pedro Padron Amare, general directors of State and Municipal Controls and State Administration, respectively, pledged support for opening an administrative investigation on the Bolivar government, and it is possible that evidence may be obtained to bring criminal and civil actions, which would be the responsibility of other authorities.

Similarly, this second report being drafted on the Bolivar case contains accusations that have been made known to congressional members of Democratic Action, and which detail bank overdrafts and deposits in the banks of Guayana, Caroni, and Orinoco even below the minimum rates set by the BCV [Venezuelan Central Bank], to the detriment of the state's and nation's interests. The situation is such that a collection of evidence presented by Deputy Freddy Valera (AD) was not even disputed by the senior officials. [passage omitted.]

Guyana

Jamaican Foreign Minister To Visit 25 Aug

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[Text] Georgetown, Guyana, Aug 25, CANA—Officials from Guyana's Foreign Affairs Ministry were preparing to welcome Jamaica's foreign minister, Dr. Paul Robertson, and a high-level delegation during a brief stop here on Wednesday. Spokesman for the Foreign Affairs Ministry, Arnon Adams, told CANA the Jamaican minister will be accompanied by his permanent secretary, Cherry Orr, Jamaica's non-resident high commissioner to Guyana, Stafford Neil, and an unnamed official of Jamaica's Trade, Commerce, and Tourism Ministry.

Dr. Robertson is to meet with his Guyanese counterpart, Clement Rohee, and with Guyana's president, Dr. Cheddi Jagan. The Foreign Ministry spokesman said functional, economic, and bilateral co-operation is expected to feature prominently in the talks. The status of the Guyana-Jamaica joint commission is also likely to be part of the discussions, Adams told CANA.

The sale of Guyana rice to the Caribbean island, Adams said, is also expected to be discussed. This has been a sensitive issue between the two countries since Guyanese rice exporters are faced with a shrinking Jamaican rice market mainly because of imports of U.S. rice under the U.S. PL-480 Food Aid Programme.

Government Revises Proposal for Public Sector Unions

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[Text] Georgetown, Guyana, Aug 25, CANA—A government minister responsible for the public service said on Wednesday a work-to-rule called by four public sector unions was apparently not disrupting government business. "I haven't got any reports ... That it has any effect," public service minister, George Fung-On, told CANA.

The Public Service Union (PSU), the Union of Agricultural and Allied Workers (UAAW), the National Union

of Public Sector Employees (NUPSE), and the Amalgamated Transport and General Workers Union (ATGWU) launched the work-to-rule Tuesday.

They vowed to intensify the action until the Guyana Government gives in to their demand for a reasonable pay hike for the 16,000 civil servants they represent. The unions on Monday rejected as "disrespectful and an insult to all public servants" a G500 dollar (one Guy. Dollar = 0.8 U.S. cents) proposed increase while talks for a fixed hike continue between the unions and the government. They are demanding an interim G2,000 dollar a month increase, which the government says it cannot afford.

Fung-On said the government is taking a "very dim view" of the industrial action since it is now seeking to improve its services to the public. "We are trying our best to see that workers are adequately compensated for whatever work they do, but then we have our limitations," Fung-On told CANA. The minister said the government came up with a better proposal following its weekly cabinet meeting Tuesday—the same day the work-to-rule went into effect—but declined to give details.

Public Sector Unions Call Work-To-Rule

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[Report by Urrell Wilkinson]

[Text] Georgetown, Guyana, Aug 23, CANA—Four unions, representing some 16,000 Guyana public sector workers, on Monday said they were calling on their members to begin a work-to-rule from Tuesday to protest low pay. Susan Moore, general secretary of the public service union (PSU)—the most powerful of the four—told reporters the unions would "periodically" intensify the industrial action. She declined, however, to say whether it could lead to a full-scale strike.

The four unions—the PSU, the Amalgamated Transport and General Workers Union (ATGWU), the National Union of Public Sectore Employees (NUPSE), and the Union of Agricultural and Allied Workers (UAAW)—are behind the work-to-rule. The unions rejected, as "disrespectful and insensitive," a recent government offer of a G500-dollar (one Guyana dollar = U.S.0.8 cents) a month pay increase for all public servants, until it can afford a bigger hike.

"It is a very unfortunate proposal and it ... Seems as if someone is not serious about what they are doing," PSU president, Patrick Yarde, said. "It was considered most disrespectful by the general public service and a high level of insensivity to their plight and that is the feedback that has been coming in from all areas to this union," Yarde added.

The union leaders also registered their displeasure at what they said were conflicting figures presented by President Cheddi jagan and Finance Minister Asgar Ally during salary negotiations last month.

Moore said President Jagan had given them information which stated Guyana's debt service ratio for this year is 58.4 percent of current revenue. But the finance minister, she said, later expressed surprise at this figure and said the real amount was 90 percent.

"It now seems as if Dr. Jagan had either deliberately misinformed the TUC/FITUG (Trades Union Congress/ Federation of Independent Trade Unions of Guyana) delegation on July 9, or someone had misinformed the president. Either way, it is a matter of grave concern," Moore told reporters.

She added: "The question that now arises is whether the government was attempting to hide its ability to pay a just wage."

The four unions are demanding a 2,000-dollar-a-month hike while negotiations for a fixed increase continue between the government and the unions. Yarde said the unions were not "insensitive" to the debt burden the country faces, but cited the absence of equity in the government's approach and its low placing of public sector wages as a priority as among their two main problems.

"We are not compromising on that. If the government is saying they are other things that are more important than people, then let them say that," yarde said. The workers, he said, must be given top priority.

Said Yarde: "This position is not a desirable position, but we consider it at this stage a necessary position. It seems as though the public servants are being taken for granted. When one could insult every level of the public service by offering G500 dollars a month to address their (financial) problems, it must be viewed seriously and it ought to be responded to," he added.

The government has maintained it cannot give generous wage hikes outside an agreement it has with the World Bank. But Yarde questioned whether the government is "impotent."

"The World Bank didn't put the government there—the people did," he said.